

Japanese Cut Chip Output

Goal Is to Avert U.S. Sanctions on Semiconductors

By Susan Chira
New York Times Service

TOKYO — Japanese trade officials announced on Monday measures aimed at averting U.S. sanctions against Japanese makers of semiconductors.

The officials also hinted that Japan would retaliate if sanctions were imposed. Pressure for sanctions has been mounting in Washington.

Trade ministry officials announced, as they had indicated last week that they would, a cut in production of semiconductors, the memory chips that store and retrieve data in computers and other devices.

The officials also released the summaries of two letters sent by senior trade ministry officials to their U.S. counterparts, explaining the steps Japan is taking to uphold a semiconductor agreement between the two countries.

Masaaki Yamamoto, deputy director-general of the Ministry of International Trade and Industry's machinery and information industries bureau, said that the ministry had asked makers of the computer chips to cut back production of several chips by 11 percent between April and June.

Ministry officials hope this move will help force prices up in Japan and reduce supplies of chips available for "gray markets," where chips are being sold below cost, a practice known as dumping.

In the letters sent to Washington, Hajime Tamura, minister of international trade and industry, and Makoto Kuroda, vice minister for international affairs, argued that such measures demonstrated that Japan was doing its utmost to uphold last July's semiconductor agreement.

The agreement committed Japanese manufacturers, which include Toshiba Corp., Hitachi Ltd., Fujitsu Ltd., and NEC Corp., to maintain minimum prices at fair market value in the United States.

But U.S. officials have charged that Japanese companies are continuing to dump chips in third-country markets outside the United States and Japan and that sales of American-made chips have not increased in Japan.

Mr. Tamura and Mr. Kuroda said in their letters that the trade ministry had called in top Japanese chip makers and asked them to abide by the agreement and had helped to establish an agency to promote imports of foreign-made semiconductors.

The letters were sent to Secretary of State George P. Shultz, Secretary of Commerce Robert C. McNamara, and U.S. Trade Representative William E. Brock.

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Willy Brandt, right, on his way to a meeting Monday at which he resigned as leader of the Social Democrats. At the center of the dispute was his decision to appoint a Greek, Margarita Mathiopoulos, left, as the party's spokeswoman. With Miss Mathiopoulos is Peter Glotz, a party official.



Margarita Mathiopoulos, left, as the party's spokeswoman. With Miss Mathiopoulos is Peter Glotz, a party official.

U.S. Pushes Farm Crisis to Top of Its List

By Peter T. Kilborn
New York Times Service

WASHINGTON — Reagan administration officials say the cost of aiding farmers has become such a burden to so many countries that the United States wants to push the problem to the top of the list of international economic issues to be negotiated this year.

"They've got to talk about agriculture," said W. Allen Wallis, undersecretary of state for economic affairs and the head of the administration team that is preparing for the seven-nation economic summit conference in June in Venice.

"I'd say clearly that's the most important economic problem today—more important than trade, debt and so on," he said. "Agriculture has more potential for all sorts of devastating consequences."

M. Allen Woods, a deputy U.S. trade representative, said: "It's a sector of the world economy that is in absolute chaos. It has to be brought under control, and it's not something that one country can do alone."

Such views are common in Europe as well. In a speech here this month, Britain's agriculture minister, Michael Jopling, said "there is a growing consensus about the need for urgent action" on farm issues.

Farming worldwide is plagued by overproduction and depressed prices, problems that, most countries agree, are largely the consequence of domestic economic policies.

While the battles among the big industrial powers have been dominated again this year by conflicts over growth, currency values, trade, finance and loans to developing countries, agriculture has drawn increasing attention as it has become evident that farm policies affect all these issues.

In the past, farm policy has been a matter that countries kept off the table at multilateral negotiations. Successful negotiation presumably would require concessions in the

payments, subsidies and restrictions on imports that nations grant their farmers.

Elected governments have been unwilling to trade away programs so dear to their politically powerful farm constituencies.

But in farming, as in many other economic areas, attitudes have been changing. For one thing, spending on agriculture has grown so huge that it is crowding aside the demands of other powerful interests.

In the United States, aid to farmers is expected to total \$27 billion in a year in which the federal budget deficit is projected to be \$180 billion. With Congress and the administration now committed to cutting the deficit, mostly through reductions in spending, agricultural costs emerge as a highly visible target.

The problem is similar elsewhere. The 12-nation European Community spent \$23 billion on farm-support programs last year; Japan spent \$15 billion.

Pressure for change also arises as the business of farming becomes caught up in the spreading web of economic interdependence among nations. One country's farm-support policies affect world prices and the economies of other countries as surely as do changes in the values of currencies.

President Ronald Reagan put the subject on the international negotiating table last year at the economic summit conference in Tokyo. The other participants agreed with the president that agricultural policies in one country often affected other countries and that talks on the issue were needed.

That consensus helped put agriculture among the topics that the world's trade ministers listed for negotiation in the round of free-trade talks that are to begin next year.

Mr. Reagan now wants to use the summit conference that he is to attend in June to broaden the debate. See FARM, Page 2

NEW DELHI — Afghan planes bombed a village Monday inside Pakistan, killing at least 51 people and wounding 105, according to the Pakistani authorities.

The attack, the third in a month, came shortly after noon and destroyed houses and buildings in Teri Mangal in the mountainous Kurram Agency, a staging area for U.S.-backed Afghan guerrillas battling Soviet and Afghan forces inside Afghanistan, according to news agency reports from Peshawar.

The Afghan air raids are widely seen as a military campaign by the Soviet-backed government to exert pressure on the Pakistani government to stop providing support and sanctuary for the Afghan guerrillas.

The border raids have been accompanied by bombing incidents in the Peshawar area, the capital of Pakistan's North-West Frontier Province and headquarters for the guerrilla alliance.

Pakistani residents in the border area have become increasingly concerned over the presence of from two to three million Afghan refugees, who have strained the local economy and fueled separatist demands by regional tribes suspicious of outsiders.

The tension has influenced policymakers in Islamabad to press for an end to the seven-year Afghan war, provoking concern in Washington that Pakistan may capitulate to Soviet demands.

The earlier bombing raids, which left more than 100 people dead, occurred a month ago, just before a meeting in Geneva between Pakistani and Afghan officials. The talks lasted two weeks but made little headway.

The Pakistani authorities said at the time that they would retaliate in the event of further bombing attacks.

Pakistani officials said recently in Islamabad that they had been disappointed by the inactivity following Soviet suggestions late last year that Moscow might now be ready to end its Afghan involvement.

Islamabad is now hoping that U.S.-Soviet contacts might lead to a breakthrough.

The towns and villages bombed in the recent Afghan raids are in remote areas populated by semi-autonomous tribes that have traditionally fought dominance by any foreign power. They are treated as tribal agencies by Pakistan, and there is little government presence in the area.

Afghan Jets Bomb Village In Pakistan

By Richard M. Weintraub
Washington Post Service

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Brandt Resigns In Bonn Amid Party Upheaval

By James M. Markham
New York Times Service

BONN — Willy Brandt, the former West German chancellor and Nobel Peace Prize laureate, resigned Monday as chairman of the opposition Social Democratic Party.

Mr. Brandt announced his decision at a closed-door meeting of the party leadership called to deal with his decision to name a 30-year-old Greek woman as the party's spokeswoman.

The designation of Margarita Mathiopoulos, a Brandt family friend who is not a party member, provoked a storm of protest from the Social Democratic rank-and-file and led some to demand that Mr. Brandt, 73, step aside.

The outrage intensified when it was disclosed that Miss Mathiopoulos had been considered for a spokeswoman's post in Chancellor Helmut Kohl's government.

Miss Mathiopoulos is not a West German citizen.

Monday afternoon, Miss Mathiopoulos announced that she would not take the job.

"I am not afraid of any kind of conflict," she said, "but I am persuaded that Willy Brandt could be harmed through my designation. I could not support that."

Several hours later, Johannes Rau, the party's defeated candidate in the January parliamentary election, broke the news that Mr. Brandt had decided to resign from the chairmanship he has held since 1964.

Mr. Rau, a deputy party chairman, said that Mr. Brandt regarded the Mathiopoulos controversy as a "only a symptom" and that he had chosen to resign to spare the Social Democrats strife as they headed into a series of state elections.

The two principal contenders to succeed Mr. Brandt are Hans-Jochen Vogel, the party's parliamentary leader, and Oskar Lafontaine, 43, premier of the Saarland and a leading figure in the party's left wing.

On Monday evening, the party board nominated Mr. Vogel as Mr. Brandt's successor, making it all but certain he will be elected at a party congress in June.

The board's vote was 33-1, with one abstention, a spokesman said.

Mr. Lafontaine is expected to become deputy party chairman, the spokesman said.

Mr. Vogel, 61, is a former justice minister and mayor of Munich and West Berlin. He was the party candidate when the Social Democrats were defeated in the 1983 parliamentary elections.

Once one of the commanding figures in postwar West German politics, Mr. Brandt in recent years saw his general esteem tumble as he became embroiled in petty disputes and appeared to many to steer West Germany's opposition party on an unpredictable course.

An exile in Scandinavia during the Nazi period, Mr. Brandt returned to his homeland in the postwar years and became mayor of West Berlin in 1957. From 1966 to 1969, he was foreign minister and initiated a policy of diplomatic opening to Eastern Europe, known as *Ostpolitik*.

In 1969, he became the federal republic's first Social Democratic chancellor and two years later was awarded the Nobel Peace Prize for his *Ostpolitik* and other efforts at reconciliation with the eastern nations overrun by the Nazis in World War II.

He was forced to resign as chancellor in 1974 after an East German spy was unmasked in his entourage.

He continued as party chairman under Chancellor Helmut Schmidt, a fellow Social Democrat, but encouraged leftist opposition to Mr. Schmidt's Atlanticist foreign policies.

After Mr. Schmidt was toppled in 1982, Mr. Brandt said he discerned an emerging new majority in West Germany to the left of the Christian Democrats — in the terrain occupied by the Social Democrats and the anti-NATO Greens.

But he never overtly embraced the idea of a governing coalition between the Social Democrats and the Greens.

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Thatcher Vision: Crusade In Defense of the West

By Karen DeYoung
Washington Post Service

LONDON — When she goes to Moscow to meet Mikhail S. Gorbachev next week, Prime Minister Margaret Thatcher told a Conservative Party gathering over the weekend, "my goal will be a peace based not on illusion or surrender, but on realism and strength."

Mrs. Thatcher has publicly rejected speculation that she will undertake negotiations for the West on arms-control issues during her five-day Soviet visit.

That role, she has emphasized, belongs exclusively to the United States. The visit, which will include meetings with the Soviet leader, begins on Saturday.

But the British news media, with encouragement from Mrs. Thatcher's press office, are portraying the trip as evidence of her "big-league" status in the Western alliance. Her aides say the visit will enhance her already favorable prospects in general elections that are likely to be held this year.

But Mrs. Thatcher and her aides also view the visit in a larger context. With Moscow and Washington both struggling with domestic issues as they move closer to an agreement on nuclear missiles in Europe, and Western Europe fearing that the United States may back away from its commitment to the alliance, the trip may provide

her with an opportunity to try to impose some order.

Her first official trip to the Soviet Union comes at a time when Mrs. Thatcher perceives herself as the strongest and most realistic leader in the Western alliance.

As she is about to enter her ninth year in office, the portrait that emerges from Mrs. Thatcher's statements and recent interviews with senior British officials and Western diplomats is that of a crusader who believes in responsibility beyond her own shores.

These include "doing business" in a no-nonsense way with the Soviet Union, reining in President Ronald Reagan's administration, and forging a foreign-policy consensus among her West European colleagues.

"She is the leader of the Conservative Party, the prime minister of Britain, and the defender of the faith," a diplomat said. In that context, the diplomat said, she decided to assist the United States in its raid on Libya last April, despite knowing it would be politically unpopular at home.

"She's a woman who sees herself as a defender of Western values," he said. "A role reserved only for a very few — especially few Europeans."

At home, Mrs. Thatcher is engaged in what she considers "the great European civil war between the East and the West."

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Mrs. Thatcher and President François Mitterrand of France discussed nuclear independence. Page 2.

Kuwaitis Fear Effect of War on Shopping-Mall Life

By John Kifner
New York Times Service

KUWAIT — It is 9 o'clock on a Saturday night at the Sultan Center, and Kuwaitis are doing one of the things they do best: consuming.

The Sultan Center is a huge supermarket, and up and down its aisles men in spotless white robes and women with spike heels poking from beneath their wapping black chadors are pushing shopping carts from the huge piles of imported fresh vegetables to the bins of frozen Wonder Bread to the TV Guides hard by the computerized cash registers.

An escalator rises from the center of the store, which is open 24 hours a day, to a second story. There, hardware, sporting goods and rows of automobile accessories attract groups of young men, and a Western-style lunchroom, one of the most popular gathering spots in town, is perpetually jammed. In the lot outside, flashy American cars

compete with Mercedes-Benzes for parking spaces.

Oil has brought this Gulf emirate — really just a boom town surrounded by sand — from *souk* to shopping mall virtually overnight. There are a few carefully preserved pieces of mud wall here and there from the area's days as a fortress trading post. Its name derives from the Arabic for "little fort."

But now the landscape is dominated by freeways, glass-and-steel buildings and huge villas whose only restraints are the taste of the owners.

A skillful government program of investing at least \$70 billion of oil profits abroad, including a Fund for Future Generations of 10 percent of oil revenues, untouchable until 2001, has blunted the impact of falling oil prices.

But clouds hang over this air-conditioned Eden where wealth accumulates without work. Its two giant neighbors, Iran and Iraq, have been locked in combat for six

and a half years, and Kuwait's comfortable ruling elite is increasingly fearful.

There is a very close relationship between the conflict and the domestic situation here," a Western diplomat said, noting a series of developments, including the recent arrest of a band of Shiite Moslem Kuwaitis for blowing up an oil loading dock, that have marred the veneer of tranquility here.

"Kuwait has gambled very much on the Iraqis maintaining the upper hand, but the strategic balance seems to be shifting slowly but surely toward Iran," the diplomat said. "Kuwait is like Finland, except it is bordered by two Russians. It is very close, but Iraq is closer."

A nagging worry is that only 40 percent of the 1.6 million people in the country are Kuwaiti citizens, although all share such oil benefits as guaranteed housing, including maid's quarters.

Kuwaitis make up only 18.7 per-

cent of the work force, which includes many Iranian Shiites and Palestinians and so many workers from the Indian subcontinent that the English language newspaper runs two pages written in Urdu.

Police officials announced in November that 26,898 people had been deported during the year for security reasons. Diplomats put the figure higher, estimating that about 40,000 Palestinians, the group that largely built the educational and governmental system, were sent back to Jordan until King Hussein asked for a respite.

The Shiites, who make up about a third of the population, are also feared because, a diplomat said, "they might have the picture of the emir on the wall and Ayatollah Khomeini in their drawer."

With all the looming problems, Kuwaitis seem largely unconcerned about one of the biggest developments, the demise of Parliament.

The biggest white elephant in town at the moment is the House of

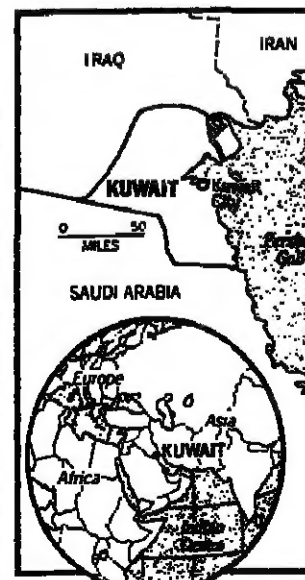
Parliament, a modernistic structure with a great curving roof that conjures up the folds of a Bedouin tent.

The Parliament was a kind of showplace of a democracy that Kuwaitis said made them a rarity in the Gulf. The setting for feisty babbles ranging from the views of aging Nasserites to those of Moslem fundamentalists, Parliament was looked on with suspicion if not alarm by neighboring nations, but was a must stop for important visitors.

In addition to Parliament, Kuwaitis prided themselves on supplanting Lebanon in having the greatest press freedom in the Arab world.

But democracy took a break last summer.

In July, Kuwait's emir, Sheikh Jaber al-Ahmad al-Sabah, who rules under what is called the "one-family concept," dissolved Parliament and imposed press censorship. He cited the pressures of the Gulf war, terrorism and the



Map showing the location of Kuwait in the Gulf region, bordered by Iraq, Iran, and Saudi Arabia.

falling oil prices. There had been several spectacular bombings, including a failed suicide car attack on the emir himself.

"Democracy is shaking," the emir said, adding that Kuwait was See KUWAIT, Page 6

Every day, the vice president is given a special intelligence briefing from the CIA, which is more extensive than Mr. Reagan's. Mr. Bush has also been given several special foreign policy troubleshooting assignments, ranging from an important mission to Western Europe on arms control in 1983 to heading a task force on terrorism in 1985 and 1986. Mr. Bush has also had unparalleled access to the president.

But the picture of Mr. Bush in the reports made public so far is not that of an experienced policy maker who foresees the pitfalls and flashpoints of the Iran initiative. Rather, Mr. Bush appears to have quietly supported many of Mr. Reagan's decisions to proceed with the sale of weapons to Iran.

By these accounts, Mr. Bush did not try to cool the president's ardor for winning release of the American hostages in Lebanon. Nor did

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Gadhafi Says He Would Accept Soviet Missiles on Libyan Soil

By James Barron

New York Times Service

NEW YORK — Colonel Muammar Gadhafi, the Libyan leader, says he is willing to allow Soviet nuclear missiles on Libyan soil. "Libya will in fact declare that it is a Communist country and join the Warsaw Pact and deploy Soviet missiles on the coast of the Mediterranean," the Libyan leader said in an interview with NBC News. The portion of his statements that was broadcast did not indicate that such a decision had been made.

"When we become one military camp, nothing will be prohibited," Colonel Gadhafi said. "That means when Libya becomes a Communist country, then that's final. The United States knows it if it continues its aggression this could lead Libya to join the Soviet side, and that's going to overturn the balance of power in the region."

It was not the first time that Colonel Gadhafi has discussed the possibility of an alliance with the Warsaw Pact. But it apparently was the first time that he said Soviet missiles could be stationed on Libyan soil or that he would give his approval to a Soviet naval base at Tobruk, on the Mediterranean.

There was no indication that the Russians would take up such an offer. In the last year, the Kremlin has distanced itself from some of Colonel Gadhafi's activities.

Colonel Gadhafi's comments were made almost a year after American jets bombed Libya in retaliation for a bomb attack by terrorists on a Berlin discotheque that was a popular gathering place for American soldiers. The terrorists were believed to have links to Libya.

Soviet advisers have been posted in Libya, but Colonel Gadhafi has not allowed Moscow to build bases or station troops on Libyan soil.

Last week, according to the NBC broadcast Sunday, several radical Palestinian leaders visited Libya at Colonel Gadhafi's invitation. In the interview, Colonel Gadhafi said it was a unity meeting, but he added that he did not care if the world considered it a convention of terrorists.

A spokesman for NBC News said the Palestinians included Nayef Hawatmeh of the Democratic Front for the Liberation of Palestine and a representative of Sabri el-Banna, also known as Abu Nidal, who is believed to have been behind the 1985 massacre at Rome airport.

Colonel Gadhafi said that if the radical Palestinians were terrorists, "then I, too, am a terrorist."



The wife of General Licio Giorgieri, Giorgia, center, at the funeral Monday in Rome.

THATCHER: A Crusader in Defense of the West

(Continued from Page 1)

socialism, radicalism, and her own conservative values, he said.

Mrs. Thatcher has asked for another term in office to completely "eradicate" the opposition Labor Party's brand of socialism from Britain and steer the country toward what she has described as a more American-style political system, in which the two main parties "believe in fundamentally the same things."

"Thatcher plays a special role" in the Western alliance, an official said. "She has been around a long

time, she has no real domestic rival, she has a cohesive, long-term team."

Over the past several years, Mrs. Thatcher has removed virtually all senior officials who disagreed with the style or substance of her government.

In the view of those remaining, her government's cohesion gives her advantages her European colleagues do not have.

During the early 1980s, Mrs. Thatcher's personal status in Western Europe was undermined by an often belligerent attitude in inter-

national European Community battles, and by her apparent closeness with the United States at the expense of her European colleagues.

More recently, however, she has made a visible effort to turn her attention toward creating a European consensus on several key issues. At the same time, she has used her relationship with President Reagan to "keep the Americans on the straight and narrow," especially on East-West defense issues, according to the same official.

Mrs. Thatcher's supporters date her first effective use of this influence from 1983, when Mr. Reagan announced his plans for a space-based missile defense, the Strategic Defense Initiative.

Europe greeted SDI with varied views reflecting concerns about whether it would be consulted on testing and deployment of the system, what part it would play in technological development, and whether the program would undermine the 1972 anti-ballistic missile treaty.

In early 1984, Mrs. Thatcher traveled to Washington for private meetings with Mr. Reagan. The goal, another official here said, "was to put the program on track, saying SDI is good, but it has to be negotiated with the Russians, and arms control must go on."

The disappointment in the meetings between Mr. Reagan and Mr. Gorbachev in Iceland in October was another major step in what is seen here as Mrs. Thatcher's developing role as spokeswoman for Europe and go-between with the Reagan administration.

Mrs. Thatcher, and most of her senior West European counterparts, considered the Iceland meeting an "absolute and utter disaster," according to a Western diplomat.

After Mr. Reagan and Mr. Gorbachev failed to reach an agreement eliminating strategic nuclear weapons within 10 years, Mrs. Thatcher carried the European message of displeasure to Washington.

She emerged from a second meeting with Mr. Reagan in November with an agreement that circumscribed U.S. goals, and committed Mr. Reagan to consulting the allies before altering the U.S. negotiating position at further East-West talks.

"It's not a formalized consensus," an official here said. But he said Mrs. Thatcher talked to Chancellor Helmut Kohl of West Germany, President Francois Mitterrand and Prime Minister Jacques Chirac of France.

"She sees these people often," he said. "When she goes to Washington, she is confident she knows what the others are thinking. And, in Paris and Bonn, they know that if they've got a message, there's no better messenger."

Thatcher Urges Caution In Arms Talks With Soviet

Reuters

BONN — Prime Minister Margaret Thatcher of Britain, in talks Monday with French and West German leaders, urged a cautious approach to arms control negotiations with Moscow, emphasizing that the West could not afford any mistakes.

Mrs. Thatcher held consultations with President Francois Mitterrand of France in Normandy and then flew to Bonn to meet with Chancellor Helmut Kohl. She will fly to Moscow on Saturday.

British sources said the prospect of a U.S.-Soviet pact to eliminate medium-range missiles from Europe dominated the talks.

Mrs. Thatcher, at a press conference with Mr. Kohl, said: "We talked about the arms control negotiations in detail, being very aware, both of us, that we are responsible for the defense of our own countries and part of the NATO alliance."

"Defense weaponry is so complicated these days and the time taken to produce it so long that one can never afford to make a mistake," she continued. "Indeed, one mistake could mean that we could nev-

er catch up if anything were to happen."

Mr. Kohl said it was important that Mrs. Thatcher have the support of her West European allies in her talks with Mr. Gorbachev.

"This trip is taking place at a highly important moment," Mr. Kohl said. "In the Soviet Union a good many things have started to move under Gorbachev. None of us knows where this movement will lead to."

Mrs. Thatcher and Mr. Mitterrand earlier made clear that they would reject any attempt to include their countries' independent nuclear forces in Soviet-U.S. arms control negotiations.

"The U.K. and French independent nuclear deterrents are not involved in these negotiations," Mrs. Thatcher said after her talks in France. "They are crucial, and their continuance is crucial, to the defense of our two countries."

Mr. Mitterrand, referring to Mrs. Thatcher's visit to Moscow, said he had not given her any general mandate to speak on France's behalf, but on this issue, "Mrs. Thatcher can very well say it on behalf of our two countries."

Guilty Plea Given in N.Y. AIDS Killing

The Associated Press

MINEOLA, New York — The murder trial of a 19-year-old homeless man ended abruptly Monday when he pleaded guilty to manslaughter for killing a man who told him he had AIDS after they had had a sexual encounter.

Lorenzo D. Owens told Judge Richard C. Delin in Nassau County Court that he slit the throat of Kenneth Grice, 22, in Mr. Grice's home on April 20, shortly after the two had sex. Mr. Owens faces a maximum term of 25 years in prison. He is to be sentenced on April 21.

The case drew the attention of homosexual rights advocates, who said that if Mr. Owens were not found guilty it would foster more irrational responses to acquired immune deficiency syndrome. No cure has been found for the fatal disease, which cripples the immune system.

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Rome Killing Was SDI Protest, Group Says

United Press International

ROME — An urban guerrilla group said Monday that it had assassinated the Italian Air Force general in charge of air and space weapons procurement to protest Italy's participation in President Ronald Reagan's Strategic Defense Initiative.

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After Mr. Reagan and Mr. Gorbachev failed to reach an agreement eliminating strategic nuclear weapons within 10 years, Mrs. Thatcher carried the European message of displeasure to Washington.

She emerged from a second meeting with Mr. Reagan in November with an agreement that circumscribed U.S. goals, and committed Mr. Reagan to consulting the allies before altering the U.S. negotiating position at further East-West talks.

"It's not a formalized consensus," an official here said. But he said Mrs. Thatcher talked to Chancellor Helmut Kohl of West Germany, President Francois Mitterrand and Prime Minister Jacques Chirac of France.

"She sees these people often," he said. "When she goes to Washington, she is confident she knows what the others are thinking. And, in Paris and Bonn, they know that if they've got a message, there's no better messenger."

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Bush Asserts He Expressed Iran Dissent

Washington Post Service

QUITO, Ecuador — Vice President George Bush says that he personally told President Ronald Reagan that he had reservations about the Iran arms sale as the policy was evolving.

Facing a political controversy over whether he had supported the clandestine sales, Mr. Bush said here Sunday, "I expressed my reservations to him as he knows and as he has confirmed."

On Friday, the White House spokesman, Martin Fitzwater, said that as the secret arms deal evolved, Mr. Bush expressed "certain reservations" about the policy to White House officials.

The vice president spent more than four hours in Ecuador to pledge U.S. aid to the earthquake-stricken country and to show support for President Leon Febres Cordero, a close U.S. ally.

Mr. Bush said he would "actively intercede" to support Ecuador's request for loans from the World Bank and Inter-American Development Bank to rebuild the country's only oil pipeline and reconstruct roads, schools and houses in the earthquake zone.

The earthquakes, two weeks ago, killed more than 1,000 people, left 30,000 homeless or jobless and stranded up to 70,000 in a remote area in northeastern Ecuador.

Glasgow Workers Extend Takeover At Caterpillar

International Herald Tribune

LONDON — A standoff between the U.S. multinational company Caterpillar Inc. and about 800 factory workers at its Glasgow plant intensified Monday. The workers voted to continue their 10-week occupation of the plant, and Caterpillar threatened to file a lawsuit on Wednesday to have them evicted.

"I doubt very much that this will come to a physical confrontation," Eddie McDermid, one of the plant occupiers, said by telephone. "We've arranged for lawyers to argue our case in court."

The workers have maintained a peaceful sit-in at the plant since Jan. 14, following an announcement by Caterpillar, one of the world's largest manufacturers of tractors, that it would close the plant within 15 months as part of a global restructuring.

U.S. France Set Satellite Deal

The Associated Press

WASHINGTON — The United States and France agreed Monday on plans to launch a satellite in 1991 to observe the flow of water in oceans and how tropical oceans affect weather. It would be the first satellite supplied by the U.S. government to be launched by the European Space Agency's Ariane rocket.

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WORLD BRIEFS

Captain Held in Philippine Bombing

MANILA (AP) — The military chief of staff said Monday an army captain has been arrested as the prime suspect in last week's bombing at the Philippine Military Academy. Four persons were killed in the attack.

General Fidel V. Ramos said the captain, who was detained last week after the bombing, was an official of the Guardians, a military fraternity group whose members were involved in an attempted coup Jan. 27 against President Corason C. Aquino. Military officials said that disaffected military personnel may have been responsible for the bombing Wednesday and that Mrs. Aquino may have been the target.

Meanwhile, Communist rebels in northern Mindanao Island proposed a limited cease-fire during the Easter holidays next month and for congressional elections May 11. It was the first such offer since a cease-fire between rebels and government forces expired Feb. 8.

15,400 Ill in Chinese Chemical Spill

BEIJING (Reuters) — More than 15,400 people in the north China province of Shanxi suffered poisoning after a fertilizer factory released chemicals into a river used for drinking water, the China Daily reported Monday.

The English-language paper said no one was killed in the incident, which took place in Zhangzi County in January, but that thousands of people complained of headaches, stomach pains and diarrhea. It said those responsible would be charged and brought to trial. The factory was fined 30,000 yuan (\$5,100) and its deputy director was removed, the paper said.

Many fish were killed by the 18 tons of highly poisonous ammonium hydrogen carbonate liquid that poured into the Nanshang River when maintenance was being performed on equipment at the plant, it added.

Tunisian Said to Confess in Djibouti

DJIBOUTI (Reuters) — A Tunisian has confessed to planting a bomb that killed 11 persons in a Djibouti cafe and said he was recruited in Syria, President Hassan Gouled Aptidon said Monday.

Mr. Gouled said that the Tunisian, Adnan Hamouda Hassan, 27, planted the bomb on behalf of a Middle Eastern extremist organization called the Troops of Revolutionary and Resistance.

The Tunisian reportedly told his interrogators that he was recruited in Damascus, the president said. He did not report a specific motive for the attack. Foreign Minister Moumin Bahdon Farah said earlier that the bombing was intended to disrupt peace moves in the Horn of Africa where Djibouti's two neighbors, Ethiopia and Somalia, have begun a dialogue to resolve their dispute over the Ogaden region.

Greek Bishops Protest Land Takeover

ATHENS (Reuters) — Greek Orthodox bishops said Tuesday they would boycott a church service in Athens celebrating Greek Independence Day on Wednesday to protest government plans to take over monastery lands. March 25 is Greece's most important holiday.

Ieronymos, bishop of Thebes and Livadia, said nearly 100 priests in his diocese told him they were ready to resign if a government bill on church property became law. The bill provides for 321,900 acres (129,910 hectares) of forests and meadows to be transferred to the state within six months and gives the state increased influence in church government.

The government says it will distribute the church lands to poor farmers. The bishops accused Prime Minister Andreas Papandreu of planning to give the land to prosperous agricultural cooperatives.

U.S. Denies That It Stalls Arms Talks

WASHINGTON (Reuters) — White House officials denied Tuesday a Soviet accusation that the United States was blocking progress on an accord to eliminate medium-range nuclear missiles from Europe. Martin Fitzwater, the White House spokesman, described the Soviet allegation as "posturing" and said the tactic was familiar.

Viktor Karpov, the chief Soviet negotiator at the arms talks at Geneva, said Tuesday that there were more and more signs that Washington did not want an agreement. He charged that the so-called "zero option" to eliminate medium-range missiles from Europe, first proposed by the United States in 1981, "was a bluff from the very start."

Evangelist Gets \$1.3 Million for Fund

TULSA, Oklahoma (AP) — A Florida millionaire gave a check Monday for \$1.3 million to Richard Roberts, the son of the evangelist Oral Roberts. The contribution was believed to have fulfilled the evangelist's \$8 million goal for a fund for medical missionary scholarships before what he has called a do-or-die deadline from God.

Mr. Roberts has been criticized since a nationwide appeal on his weekly program Jan. 4 claiming God would "call him home" if he failed to raise the funds by March 31. Officials of the Roberts ministry did not acknowledge whether the donation would put Mr. Roberts over the \$8 million goal, but they said last week that the fund drive was about \$1 million short.

Jerry Collins,

Pentagon vs. NASA: Debate Focuses on Jumbo U.S. Rocket

By Rudy Abramson
Los Angeles Times Service

WASHINGTON — The Heavy Lift Launch Vehicle, a rocket intended to launch 75 tons of cargo or more at a greatly reduced cost, has become the subject of a new debate over the degree of military involvement in the U.S. space program.

The air force and the National Aeronautics and Space Administration each want to build the rocket. To the alarm of proponents of the civilian space program, the air force has the upper hand.

NASA engineers predict that two or three launchings of the jumbo rocket could put into orbit the entire structure for a permanent manned space station in the 1990s. The rocket, they say, might even make possible the simultaneous launch of dual planetary missions.

Designers of the Reagan administration's proposed space-based missile defense system envision that the rocket will launch huge orbiting platforms from which small missiles and projectiles could be positioned to intercept enemy missiles.

According to congressional and administration sources, President Ronald Reagan approved the Pentagon's approach at a meeting in December with Secretary of Defense Casper W. Weinberger and Assistant General James A. Abrahamson. The general is director of the Strategic Defense Initiative Office, which runs the SDI program.

As a result of that session, the administration asked Congress for \$250 million to begin developing the jumbo rocket under the Pentagon's direction.

That left NASA, which was focusing on getting its space shuttle flying again after the explosion of the Challenger in January 1986, on the sidelines of what it considered its own domain. It also troubled NASA's allies.

"We are dealing here with a very important policy question," said Senator Donald W. Riegle, Democrat of Michigan, chairman of the science, technology and space subcommittee of the Senate Commerce, Science and Transportation Committee. "If you look at the drive on space spending, you see a tremendous surge on the military side, and it is obvious that any major decision such as this adds to the strength of the Department of Defense and takes away from the strength of NASA."

Representative George E. Brown Jr., Democrat of California, the second-ranking Democrat on the House Science, Space and Technology Committee, said that the White House was "strongly biased toward the military uses of space."

The funding for the space program is now about \$3 to \$4 billion, Mr. Brown said. "We just have to begin to swing back to something closer to a 50-50 balance between defense and civilian space if we are going to maintain any real program."

Earlier developments have heightened the concern about who will control the heavy-lift booster. Among them are:

• The decision to give the air force the leading role in developing the hypersonic aerospace plane and giving the military priority to use the space shuttle when it resumes flying.

• The concern of NASA's European partners over the military's role in the proposed space station.

• The administration's decision to turn commercial satellite launchings over to private industry and its slow pace in acquiring unmanned rockets to supplement the shuttle.

In Congress, Senator Ernest F. Hollings, Democrat of South Carolina, is one of the air force's few supporters in its dispute with NASA. Mr. Hollings heads the Senate Commerce, Science and Transportation Committee, which oversees NASA's budget, and

serves on the military appropriations subcommittee.

He said he favors air force management of the jumbo rocket because NASA, burdened by its recovery from the shuttle disaster and its inauguration of the space station program, would take longer to get the job done.

But he conceded that it may be easier to win congressional approval to give the program to NASA than to the air force.

"It appears clear that the intent is for NASA to play a very minimal role," said Senator Howell Heflin, Democrat of Alabama.

Senator Albert Gore Jr., Democrat of Tennessee, warned that the administration's proposal would be a step along the way toward taking NASA out of the space transportation business. In that case, he said, "NASA might as well close its doors."



Bernhard H. Goetz arriving Monday at the court for the beginning of his trial.

Trial Begins for Goetz, a Symbol of Fear of Crime

By Kirk Johnson
New York Times Service

NEW YORK — More than two years after Bernhard H. Goetz, a passenger on a Manhattan subway train, pulled a pistol and shot four young men, questions about the shootings and the laws governing deadly self-defense still reverberate.

Monday, in one of the largest courtrooms of State Supreme Court in Manhattan, the first jurors were chosen in Mr. Goetz's long-delayed trial. Prosecutors, legal experts and others familiar with the case, including Mr. Goetz himself, say the trial, whatever its outcome, is unlikely to settle the issues raised by Mr. Goetz's acts.

Most of the facts of the case are not in dispute. Mr. Goetz, a white electrical engineer from Greenwich Village who was 37 years old at the time and who had been mugged twice before, had admitted shooting four young black men on the subway train Dec. 22, 1984, just after 1:30 P.M.

They had surrounded him, he told authorities in a videotaped statement that will probably be played at the trial, and had asked for \$5.

Convinced, he said, that he was about to be robbed and perhaps harmed, Mr. Goetz pulled an unregistered pistol, selected what he called his "pattern of fire" and pulled the trigger four times.

Three of the shots hit James Ramsey and Troy Cany, both then 19, and Barry Allen, 18, all of the Bronx. The fourth shot missed and ricocheted in the subway car, and Mr. Goetz paused.

Seeing another of the youths, Darrell Cabey, 19, unarmed, Mr. Goetz said, according to his videotaped statement, "You don't look so bad — here's another." He fired again, and the bullet severed Mr. Cabey's spinal cord, leaving him paralyzed from the waist down.

From this brief confrontation, however, has flowed a complex legal case wrapped up in a passionate public debate.

"I don't think the social issues are going to be settled by this trial, if that's what people are looking for," Mr. Goetz said Friday. "In New York, you're still not allowed the right to defend yourself."

Mr. Goetz said he believed the trial would be a fairer one now than if it had been held two years ago, when he was indicted and accused of attempted murder, assault, reckless endangerment and illegal possession of a weapon.

"It's a lot better for me now than two years ago," he said. "Public opinion has matured a great deal. A lot of people identify their interest more with me than with the people I shot."

Legal experts say that because Mr. Goetz

has never denied his actions, but rather has defended them as legitimate self-defense, the important developments in his trial will be in interpreting the evidence rather than the revelation of much new evidence.

Those developments, they said, are likely to center on three main points:

• Whether Mr. Goetz was "reasonable" in his belief that he was about to be robbed, and therefore justified in using deadly force to defend himself. The prosecution must prove that he was not reasonable.

• Whether his fifth shot, fired after the four youths had fallen, must be judged by a different legal standard or whether Mr. Goetz was still "reasonably" defending himself from harm.

• Whether the judge's charge to the jury at the conclusion of testimony will allow the jurors to consider the full "circumstances" in which Mr. Goetz found himself. Under a broad interpretation, the jury could consider more fully his state of mind in light of the two previous muggings he had experienced.

A more narrow charge by the judge would limit the jury, so it could consider Mr. Goetz's actions only in the context of the scene in the subway car.

Those issues were focused in the Goetz case by court rulings last year, culminating in a decision in July by the state's highest court, the Court of Appeals. That ruling, which Mr.

Goetz's attorneys believe has essentially changed the law in New York on the justification of deadly self-defense, said a person who acts in self-defense must be judged on subjective and not objective levels.

On the subjective level, the jurors must find that Mr. Goetz believed he was acting reasonably. On the objective level, the panel must find that his actions were what a "reasonable man," in the same circumstances, would do.

The previous legal measure of justification was generally held to be the subjective standard only.

What will be determined in the courtroom proceedings, which began Monday with a jury pool of 136 people and a projected date of April 27 to begin testimony, is how to measure the word "reasonable" in a fast-moving, potentially lethal situation, as well as what may be included in the word "circumstances."

As for Mr. Goetz, who faces up to 25 years in prison on each of the attempted murder counts if he is convicted, he said he had tried to remain philosophical.

"I've gotten an education in the last two years that money can't buy — about society, myself, human nature," he said. "I know many people who are in much worse shape than me. I can't say life has dealt me a bad deck."

Legal, Social Pressures in U.S. Curb Drunk Driving

By Andrew H. Malcolm
New York Times Service

CHICAGO — Widening public and legislative support in the United States for ever-tougher laws against drunken driving and tighter enforcement of existing regulations appear to be noticeably deterring many from driving while intoxicated.

In interviews, officials of several states said that they had detected a silent shift in social attitudes against drunken driving, akin to the reduced acceptance of smoking in public. At the same time, social drinkers have been shunning hard liquor in favor of lighter drinks, like wine coolers and light beer.

Some experts see the shifts as part of a broader social trend emphasizing personal health habits involving, for example, less smoking, more physical exercise and greater attention to nutrition.

Statistics indicate that a combination of factors, including federal and state crackdowns and educational campaigns, are having beneficial effects, especially among social drinkers.

"There's definitely been a change in people's attitude toward drinking and driving," said John Boffa, spokesman for the Governor's Traffic Safety Committee in New York. "They take it far more seriously now."

For a while, several officials said, the public's declining tolerance for

drunken driving and its related toll was far ahead of the more lenient attitudes of judges and elected representatives. But now the officials seem to be catching up.

According to U.S. statistics, 44,000 people die on American highways each year, about half of them in accidents involving alcohol. After bolstering their laws, some states are beginning to report reductions in the number of alcohol-related deaths.

John J. Grant, the program director for the National Commission Against Drunk Driving, which monitors legislative and educational activities in the states, said that in the last five years, about 3,000 laws on drinking and driving have been proposed around the nation, and as many as 400 new ones enacted in the states to strengthen enforcement.

While he said that there was work yet to be done and that some states had laws that were weaker in one respect than others might be, "overall the states in the last five years have begun to address the problem."

In Illinois, nearly 92 percent of the 55,000 people arrested last year for drunken driving lost their driving privileges, up from only 25 percent a few years ago. The secretary of state, Jim Edgar, recently proposed legislation for even tougher regulations aimed at repeat offenders, about 22 percent of all drunken driving arrests here.

FBI Says PLO Faction Seeks Aid in U.S.

Los Angeles Times Service

LOS ANGELES — The Popular Front for the Liberation of Palestine is attempting to cultivate "broad-based grass-roots support" in the Arab-American community and from leftist organizations in the United States, according to a confidential report by the Federal Bureau of Investigation.

The main allegations in the report are that the Popular Front conducts "clandestine intelligence activities" in the United States and "funds its U.S.-based operations and contributes to the organization

abroad" from the Arab American community.

Also, the report said, the group attempts "to join with various leftist organizations, foreign and domestic, violent and nonviolent, to promote their objectives, and draws upon the vast manpower pool within the Arab-American communities to assist in filling its military ranks overseas."

The report followed a three-year investigation by the FBI into the Popular Front, a Marxist faction of the Palestine Liberation Organization with a history of terrorist attacks.



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Kalb Accepts Harvard Post

New York Times Service

NEW YORK — Marvin Kalb, a diplomatic reporter for U.S. television, has accepted appointment as the first director of the Joan Shorenstein Barone Center on the Press, Politics and Public Policy at the John F. Kennedy School of Government at Harvard University.

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Herald Tribune

Published With The New York Times and The Washington Post

Europe of the Snails

Tomorrow, March 25, the fifth day of spring and feast of the Annunciation, is the 30th anniversary of the Treaty of Rome, which announced that the European Economic Community had been born. In three decades the Community has seen both its membership and its living standards double, enriching itself faster than America, although more slowly than Japan. In absolute terms the average European is still less well-off than the American, and most are less well-off than the Japanese. Perhaps what is most striking, politically, is the way the Community has progressively opened its doors to poorer countries. A limited collection of rich countries clustered round the Rhine, with Italy tagging along, has become more representative of Europe — although with insufficient Nordic presence.

There was no lack of well-wishers around the cradle. Enthusiasm in Europe — Britain abstaining — for an institution to replace warfare by welfare was matched by American support for an initiative to make Europe more than a simple geographical expression, a mere space between the Soviets and the United States. And since the infant extended its hands to poorer countries overseas, political criticism from the nonaligned was muted. The extent of criticism of Community policies today, emanating from America, the Third World and the anti-poles alike, makes clear how far Europe has come as a force to be reckoned with.

How far it is putting its strength to the best purpose is less clear. A leading Italian industrialist scorns Europe because the only common market it has created is, at vast cost, in agriculture. Certainly the Common Agricultural Policy has produced excesses, and a degree of inefficiency, which would have appalled the founding fathers and which even now relations inside and outside Europe. Curbing the profligacy is slow because governments cling to the belief that the farm vote is decisive, even though fewer than 5 percent of adults work on the land.

But the problems do not stop at the farm gate. Free trade in industry and services, the sectors in which Europe should specialize, is shackled by a welter of restrictions even after tariffs and quotas have disappeared. In a world in which Europe will increasingly depend on its ability to sell up-market, high-technology products, the trap is obvious. While the United States has a domestic market of 240 million people and Japan 120 million, no single European country has more than 60 million. How can Europe keep up, in costly research and innovation, exploiting economies of scale, so long as its producers have such small markets at home? In theory, the next five years will see a genuine European market of more than 300 million people. But there are many hampers to prize from the rocks.

Most significantly, Europe has failed yet to pass on from a somewhat pedestrian customs union toward more meaningful economic and monetary unity — to conditions where broad economic policies are designed more or less in unison rather than having to be brought painfully back into harmony when disaster strikes.

The present European Monetary System is a first, limited move. Perhaps by its 35th birthday Europe will have moved further. But the pace is dictated by the slowest snail. Individual governments are strangely reticent of economic sovereignty that they can no longer exercise.

INTERNATIONAL HERALD TRIBUNE.

Israel and South Africa

Even when Israel's coalition leaders do right, it seems to come out wrong. It has been an open secret for years that Israel has been a covert arms supplier to South Africa. All that has been hidden is the size of the trade: estimates vary from \$40 million to \$900 million a year. Now Israel is finally moving to halt what it has never acknowledged — but it will not say when, and its leaders imply that their welcome decision is somehow a favor to the United States. Perverse, the effect is to deny Israel the credit it deserves.

Certainly in the short term, Israel stands to lose jobs and contracts. But it is doing no favor to Washington by joining with all Western nations in halting arms sales to a racist police state. That stand is manifestly in Israel's interest. To be seen as Pretoria's

secret partner mocks Israel's moral claims, affronts black Africa, provides a propaganda windfall for the PLO and embarrases all of Israel's allies. Why else would this trade be so hush-hush? Besides, why should Israel deepen its dependence on the arms bazaar, the riskiest commerce in the world?

It is also true that selling arms to the South Africans could, under American sanctions legislation, jeopardize Israel's \$1.8 billion in annual American military aid. And yes, there is general nervousness in Jerusalem about the Pollard spy scandal. According to Israeli officials, those were factors that led them reluctantly to end a questionable traffic. Israel has made a wise decision. Now let it be a clear one.

— THE NEW YORK TIMES.

Base Pains in Spain

Haggling about military bases has all the joys of arm-wrestling on a sinking raft. Global strategic interests get hopelessly mixed with angry regional disputes when dealing with NATO allies like Greece and Turkey. Figuring fair compensation for Azores bases stirs argument in Portugal. And things can go sour when democracies inherit base agreements signed by departed dictators, as in the Philippines.

Or in Spain, where the United States is again learning that having bases requires hard compromises.

Secretary of Defense Caspar Weinberger flew to Madrid last week to plead the case for an air base that the Pentagon claims is "irreplaceable and vital." But Prime Minister Felipe Gonzalez will not yield a millimeter on his demand for the withdrawal of 5,000 U.S. servicemen and 72 F-16 fighters from Torrejon, near Madrid. And the current accord with Spain expires in May 1988.

Consider first Mr. Gonzalez's case. Just last year he raked his political ash by reversing his Socialist Party's opposition to NATO. Challenging tradition and polls, he urged referendum approval of continued NATO membership. Spaniards gave him a 52.5 percent margin, but on his promise to begin trimming a U.S. presence consisting of 12,000 personnel at one naval and three air bases. And Spain, he pledged, would stay free of nuclear weapons. Now he has to deliver, and does not have much room for

maneuver. The bases were established under a 1953 accord that was a major political coup for the then isolated dictator, General Franco. Elsewhere in Europe, U.S. bases were identified with the defense of democracy; in Spain they were viewed as a prop of tyranny.

But if Spain looks only to its domestic politics and not to the needs of common defense, there can be no solution. The bases there are of considerable importance. The open plains, the good weather and, most important, their location far beyond the front lines in West Germany make them so.

Surely there is space for a pragmatic accommodation. Both sides are willing to reduce the number of U.S. servicemen. Both agree on continued U.S. tenancy of the naval depot at Rota, and the 6th Fleet. The problem is Torrejon and the F-16s. Perhaps the answer is a long-term arrangement for moving the planes elsewhere in Spain or replacing them with an adequate substitute.

These issues arise almost yearly in Spain, or in Portugal, Greece, Turkey or the Philippines. Billions of dollars in American aid are provided as payment for joint defense and maintaining America's strategic position in the world. These stakes and concerns are generally well understood in Washington. But the bases have to be justified over and over again to the host countries, and compromises made. It is the inescapable price of leading a coalition rather than an empire.

— THE NEW YORK TIMES.

Other Comment

Listen to Saudi Complaints

There is British unease at the kingdom's apparent rapprochement with Iran, signaled by the dismissal of Sheikh Ahmed Zaki Yamani as oil minister, and worries that for all the reforms in prospect, Saudi Arabia may be moving too slowly to head off internal unrest that could destabilize the whole region. There is no doubt in anyone's mind that Saudi Arabia has been, and remains, a force for moderation, a state whose influence has been consistently deployed in the interests of regional balance. If there are to be complaints, then those from Saudi Arabia have more force; that the West has done little to address the Palestine issue, the central problem of the Middle East; that cynical Western sales of arms to both Iran and Iraq have made it more difficult for

mediators to make any progress toward ending that conflict; and that Saudi efforts to build up the ability of Gulf states to provide their own defenses have been neither understood nor appreciated.

— The Independent (London).

Talking About Suicide

Studies have found that the publicity surrounding some suicides tends to generate imitation suicides. But the evidence also seems clear that the publicity helps spur action at both family and community levels. Suicide is the second leading killer of teenagers in the United States. Maybe adults and children simply must talk more openly. Maybe adults need to show that they, too, sometimes feel hopeless and powerless.

— The Chicago Sun-Times.

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Directeur de la publication: Walter N. Thayer.

Editor for Asia: Michael Richardson, 5 Connaught Road, Singapore 0511. Tel: 472-7768. Telex: RS5828. Managing Dir. Asia: Makoto Goto, 30 Gloucester Road, Hong Kong. Tel: 5-8410616. Telex: 61170. Managing Dir. U.K.: Robin Mackenzie, 43 Long Walk, London W21. Tel: 830-4802. Telex: 60207. Gen. Mgr. W. Germany: W. Lauterbach, Friedrichstr. 13, 1000 Berlin W. Tel: 909 72675. Telex: 416721. Pres. U.S.: Michael Cowan, 850 Third Ave., New York, N.Y. 10022. Tel: (212) 753-3890. Telex: 421775. S.A. au capital de 1,200,000 F. RCS Nanterre B 733021126. Commission Paritaire No. 61337. © 1987, International Herald Tribune. All rights reserved. ISSN: 0244-8052.

Building a Wall Doesn't Solve the Problem

By Robert B. Reich

BOSTON — In the third century B.C., Emperor Shih Huang Ti began building a wall along China's northwest border to seal off the Middle Kingdom from marauding nomads. Five hundred years later, Hadrian tried the same approach in England. A thousand years later, the same solution was invoked by the walls of medieval Europe to keep out bandits and armies. In this century, France built the Maginot Line along its border with Germany. Wall building is not a new idea.

The instinct to define and defend a safe bit of territory, making it secure against evil forces, runs deep. Walls and locked gates give palpable evidence of security. If we stay within the bounded area, we feel invulnerable.

Most people who now inhabit the planet have been forced to give up the quest for invulnerability as unrealistic. They are too often reminded of their dependence upon, and vulnerability to, others beyond their borders. But in the United States, a land historically and geographically cut off from the rest, in which people tell each other stories of self-reliance and ward off evils "out there," the dream of invulnerability endures.

That dream has led America to concentrate its efforts on warding off outside perils, often at the expense of tending to perils within.

Consider four examples:

• The primary American response to cocaine and other noxious drugs has been to fortify the perimeter. Narcotics agents are using paramilitary techniques to eradicate drug crops, interrupt supply routes and seize contraband at the border. There has been less diligence, however, about eradicating the drug habit. Capitalism is a sturdy institution; eradicating drug traffickers are only slightly deterred by border patrols

when so lucrative a market beckons. Americans cannot get control over the drug problem unless they get control over themselves.

• The primary response to the influx of steel, autos, television sets and computer chips has been to raise the walls ever higher, with quotas and other nontariff barriers. Americans routinely blame "them" for shipping inexpensive, high quality stuff, and not buying enough of America's more expensive, lower quality stuff.

In 1980, 20 percent of the goods produced in America were protected against foreign imports; today more than 35 percent are, and Congress is crafting even higher barriers.

There remains the disconcerting fact that Americans want to buy goods cheaply, and often cannot make them as cheaply or as well as foreigners can. If there were not such an overwhelming desire for Japanese cars and computer chips, South Korean steel and Taiwanese television sets, the problem would not exist. So the responsibility is at least half America's. If others can do something better and more cheaply, Americans ought to learn to do it as well, or to do something else that others cannot so easily rival. If others are willing to sacrifice profits now for the sake of larger profits in the future, Americans should make similar sacrifices if they hope to stay in the game.

• The response to the flood of Latin American immigrants has been to "regain control of our borders." Patrols have become more aggressive in capturing foreigners trying to enter illegally from Mexico; immigration officials have become more ruthless in ferreting out aliens who sneak through and overstay their visas. What has been left out of the calculation

is U.S. responsibility for the torrent. Americans are eager to hire fellow citizens because they cannot find fellow citizens to pick perishable crops, sew garments, assemble toys and care for their children as cheaply or at all. Do they want foreigners to work for them, to do jobs they are unwilling to pay each other enough to do? This entails a decision about discipline. The choice is muddled by casting the issue as one of controlling "them."

The solutions have less to do with containing "them" than with taking joint responsibility.

• In seeking to ensure national security, there has been an even greater temptation to build the walls higher rather than to take joint responsibility with "them" for managing a relationship capable of yielding devastating losses on all sides.

Before the Reagan administration launched its Strategic Defense Initiative, no real defense against intercontinental ballistic missiles was thought to be possible. The "star wars" proposal has resurrected the metaphor of a fortress, an impenetrable shield in space that will put America's fate back into its own hands. The visceral appeal of star wars has had nothing whatsoever to do with the cold logic of national defense. That it would very likely never be used, that it would almost certainly be a hideous waste of money and security are quite irrelevant evils. Perhaps star wars may yet pay off

as a bargaining chip toward obtaining an enduring arms control agreement, as some of its supporters believe. But there is the danger that it will simply accelerate the arms race, inducing Moscow to hedge its bets by investing in a much larger arsenal. It may also convince Europeans that they had better fend for themselves, rather than rely on American willingness to come to their defense. The most insidious consequence of all is that the comforting allure of a space shield may reduce Americans' interest in arms control altogether.

All of these efforts at containing evils beyond the borders are falsely premised. They assume that the problems exist "out there" and can be kept that way if one erects high enough barriers. But in truth, U.S. borders are permeable to anything for which Americans are willing to pay, as well as to indisputably unwelcome cargoes like nuclear warheads.

The solutions to many intractable problems — dangerous drugs, competitiveness, illegal immigrants, the arms race — have less to do with containing "them" than with taking joint responsibility with other peoples for achieving mutual gains and avoiding mutual losses. What poses the largest threat is chronic failure to acknowledge the subtle interdependencies that bind the species together.

A clear-eyed view of interests and options as they are conditioned by ties to the rest of the world — which is not the same as the romance that one's interests are simply the same as those of others — would make efforts to advance U.S. goals more fruitful.

The writer teaches political economy at Harvard University's John F. Kennedy School of Government. He contributed this column to The New York Times.

About Bases, Facilities and Local Enmeshments

By John C. Ausland

OSLO — Since the 1960s the struggle between the United States and the Soviet Union has taken on the character of a global contest. A significant part of this competition has involved acquisition or improvement of bases and facilities in foreign countries.

The terms "bases" and "facilities" can cause confusion. Clark and Subic Bay are American air force and naval bases in the Philippines; Diego Garcia is an American base on an island in the Indian Ocean; Rota is an American naval base in Spain. The Soviets have an naval base at Cam Ranh Bay in Vietnam. But there are many places where U.S. and Soviet forces perform specific functions that do not earn the term "base." Examples would be a U.S. electronic installation in Turkey or Japan. The military refer to these locations as "facilities," particularly if the host country is sensitive about the term "base."

There are also places where the big powers can obtain services, even if they do not have permanent installations there. An example for the American navy is Cockerburn Sound in western Australia. The Soviets have access to facilities in Libya and Syria but no permanent bases there.

The United States has a far more extensive network of bases than the Soviet Union. The Pentagon says it has 334 bases and facilities in foreign countries, as compared with about 700 two decades ago. It is, however, using a narrow interpretation of these terms. Air Force Magazine says that the air force alone had 35 major and 794 minor bases and facilities in 1985.

The Soviet network is much more modest, but it has been growing. Bases in Vietnam make it much easier for the Soviet navy to operate in the Pacific and Indian Oceans. Facilities in Ethiopia and South Yemen permit it to operate for longer periods of time in the Indian Ocean. Cuba pro-

vides an excellent base for intelligence, naval and air operations in the Caribbean.

These comments apply with particular force to peace-time. How these Soviet arrangements would operate in wartime is another question. At the very least, the United States and its allies would have to divert resources to assure that the host countries remained neutral.

The United States and the Soviet Union follow somewhat different strategies when looking for bases abroad. The Pentagon is preoccupied with preparations for conflicts, both local and global. The Kremlin is not unmindful of the role that foreign bases could play during a war, but it also makes use of them in peacetime to make trouble.

In looking for bases and facilities, both major powers must keep in mind ranges for their aircraft and sailing time for their ships.

The United States can refuel its aircraft in the air, but this is a complicated and costly operation. The air force prefers a network of bases which it can use for refueling and repairs. In the Pacific it relies primarily on Hawaii, Japan and the Philippines. For the Indian Ocean it uses airfields near Darwin in northern Australia, on Diego Garcia and in Oman. For the Atlantic there are airfields in Iceland, the Azores and Ascension, as well as in Morocco.

While the American navy also looks to foreign bases and facilities for fuel and supplies, it takes a long time to move material by sea. As a result, the Pentagon has during the past two decades pre-positioned a great deal of material abroad. There are, for example, large amounts of ammunition, equipment and fuel on Diego Garcia.

In deciding on the location of foreign bases

and facilities, the United States and the Soviet Union have to take the desires of the host country into account. The United States finds it easier if the host country feels threatened and wishes to keep its defense budget down. West Germany, South Korea and Japan are the best known examples. Other countries, such as Oman and Turkey, also fall into this category.

Being poor and surrounded by potential enemies helps explain the willingness of Ethiopia and South Yemen to cooperate with Moscow.

Both the Soviet Union and the United States operate gigantic military assistance programs, partly to obtain base rights. The Pentagon estimated last year that Soviet sales of military equipment to the Third World in this decade were almost \$55 billion. During this period, Soviet military assistance to Caribbean and African countries has run consistently higher than United States deliveries, usually dramatically higher.

The United States has given priority to NATO Europe, Israel and Egypt. When these countries have taken their share, only a little more than a quarter of the pie is left for the rest of the world. Since Congress reduced the 1967 foreign aid budget, the Reagan administration finds it impossible to keep all its promises regarding compensation for foreign bases. It is therefore asking Congress for a supplemental appropriation.

Since there is little prospect that the struggle between America and the Soviet Union will end, the contest over bases will continue. In recent years, both have devoted particular effort to improving their ability to conduct a conflict in the Gulf region. It must be hoped that neither will have occasion to carry out its contingency plans. But what if one of the regimes in the region finds itself in enough trouble to call for help?

International Herald Tribune.

The Time Has Now Come to Reject the System Itself

ARE Mikhail Gorbachev's new policies the historical turning point we have been praying for, signaling the end of oppression and misery in the Soviet Union? Or are we witnessing only a short-lived "thaw," a tactical retreat before the next offensive, as Lenin put it in 1921?

True, a number of the most prominent human rights activists have now been released from prison labor camps and from exile. As welcome as this gesture is, however, we cannot fail to notice that such selective mercy is of the kind calculated to make a maximum public impression with a minimum of genuine concessions.

If the Soviet Union is really undergoing a change of heart, why has it not declared a general amnesty for all prisoners of conscience instead of resolving certain highly visible cases one by one over the course of a year?

We have not heard any clear condemnation of the criminal use of psychiatry, the most notorious of the Soviet methods of repression. Nor have we seen any progress with respect to emigration. Moscow has recognized the need for radical economic reform, and this is welcome, but to date no serious sign of economic reform is in evidence.

The Soviet Union's announced desire to end the war in Afghanistan could be even more welcome. But if the Kremlin really means to end the war, why does it not simply withdraw its troops? If the purpose of the delay is to leave behind a stable government, why not allow free and fair elections under strict international supervision? Since neither of these solutions seems to satisfy the Kremlin, we are forced to conclude that all it really wants is the appearance of leaving Afghanistan.

Perhaps the greatest puzzlement of all is that created by the new policy of *glasnost*, or openness. It must be bewildering for many people to be reading in Pravda the very criticisms of Soviet reality that only a few years ago would have been branded as "anti-Soviet slander" and rewarded accordingly. This new policy, too, is to some extent merely making a virtue of necessity. It is senseless for the Soviet regime to maintain a huge and costly internal propaganda machine whose products are believed by few.

Real *glasnost* would involve genuine public debate. It would be a public guarantee against the abuse of power. What we are seeing is only the

This comment was prepared by seven dissident Soviet writers living in the West: Vadim Aksenov, Vladimir Bakovsky, Eduard Kuznetsov, Yuri Lyubimov, Vladimir Maximov, Ernst Nekrasov and Alexander Zinoviev.

same old party monopoly on the truth, with the order being that for the moment truth must be critical of the regime itself. Such an order could be countermanded tomorrow.

Consider the posthumous "rehabilitation" of a few prominent writers such as Boris Pasternak, Nikolai Gumiyev and Vladimir Nabokov. The village of rehabilitation seems to be conferred exclusively on the deceased, who are guaranteed not to say or do

anything unexpected. Moreover, a long line of less fortunate dead writers are still waiting their turn.

The same holds true for the current interest in the corpses of certain artists, such as the opera singer Feodor Chaliapin and the film director Andrei Tarkovsky, who died expatriates and whom, against their last wishes, the authorities are desperately trying to repatriate postmortem. This macabre attempt at body-snatching can hardly be called cultural freedom — nor can the invitations to a few prominent emigrants to return "home" like so many prodigal sons, the past "forgotten."

Were Soviet audiences allowed to choose, tonight artists and writers would require no back-door negotiations with the authorities. Finally, suppose Mr. Gorbachev's most daring suggestion to date, freer elections within the Communist Party, were to be implemented. Such a great leap forward would merely grant the Soviet people what the blacks currently enjoy in South Africa: 7 percent of the population would hold "free" elections for themselves. Without altering the regime's nature, the Soviet leaders could afford an even greater temporary retreat than that which is giving rise to so many undue hopes today. They could reduce the excesses of the criminal justice system, permit far greater emi-

gration and withdraw from Afghanistan. They could even publish Alexander Solzhenitsyn's "Gulag Archipelago." They could become as "free" and "capitalist" as Poland, Hungary, Yugoslavia or China.

The question is not how far the "thaw" will go, but how long it will last. Unlike Hungary and Poland, the Soviet Union does not live in the shadow of a big brother that can come to the rescue. And, unlike China, it has a host of small brothers to look after.

What Westerners fail to understand is that if the Soviet leaders really were intent on radical change, they would have to begin by discarding the ruling ideology.

Ideology is that hard core of the Soviet system that does not allow the country to deviate too far for too long. Unless the central ideological tenets were to be challenged, long-term Soviet strategy would remain imprisoned by its assumptions.

As long as there is no doctrinal possibility of peace with the "class enemy," how can there be peaceful coexistence with the "bourgeoisie" world? Nor is peaceful coexistence inside the Soviet Union any more likely.

As long as the "historic struggle of the two worlds" rages, Soviet citizens cannot be left to pursue their private lives and aspirations: They are conscripts in a nationwide army of ideological warriors, pressed to view themselves not as ordinary members of the human family but as bearers of "Socialist justice," "Socialist culture," "Socialist sport" — and now even "Socialist glasnost."

For the West to take the new policies at face value is to deal with symptoms and ignore the disease. Meaningful change would require the Soviet leaders to reject the fallacies of Marxist-Leninist dogma, cause the one-sided "historic struggle" and allow the Soviet people to be ordinary humans for whom words like "democracy," "culture," "justice" and "glasnost" are permitted to mean what they mean in the West.

If the Kremlin sincerely wants to turn over a new historical leaf, it must stop exploiting the painful memories of World War II for propaganda, close down the vicious "military patriots" obligatory in every

school and prevent any further militarization of society. Most of all, it must tell the truth about the crimes committed by the Soviet regime.

National reconciliation cannot be achieved by releasing a couple of hundred prisoners from jails, where they should not have been in the first place. The Soviet Union is a gravely sick country, whose leaders have had to break with a 70-year tradition of silence merely to gain a little trust from the population and the world outside.

It is they who must learn to trust, giving the people the right to administer justice in proper courts and learning to have enough respect for public opinion not to engage in their customary disinformation and manipulation.

Even a fool can see that if 70 years of doctrine have brought to ruin one of the richest countries on Earth, the doctrine must be faulty. Mr. Gorbachev admits that no one in all those years succeeded in putting the country right. Perhaps, then, the time has come to reject the system itself. Was it not Lenin who said that only practice can ultimately judge theory?

As for the West, is it not an embarrassment for people to be in such a hurry to applaud Moscow for promising conditions that they themselves would not tolerate for one moment?

The New York Times.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Distress in Britain

LONDON — While the last hope of a peaceful settlement of the great coal strike apparently hangs on the conference between the men and the owners [on March 25], distress is daily tightening its grip on the poorest classes throughout the country. Two million people are now suffering exceedingly under the strain of no wages and dear fuel. Meanwhile, the strike has lasted 23 days. The Government, while conceding the principle of a minimum wage, is fully determined not to set the precedent of fixing any wage figures in its bill. Huge sums of money are being spent by the miners' and other unions on maintaining the strikers and unemployed. From all parts of Great Britain come increasing tales of misery and want. Family men suffer the double pain of want and of seeing their wives and children go hungry.

1937: Hair for the Reich

BERLIN — The hair of some 40 million Germans, cut and clipped in some 100,000 barber shops and hair-dressing parlors of the Reich, is to be used to help to make German uniforms. Extremely Sensitive Information clearance for the American war plan. These matters are no more exotic than the fine print of MX and SDI that politicians and other amateurs now routinely grapple with. The difference is that they may be more important. I am in a learning mode on this one. I think we all need to be.

The Washington Post.

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OPINION

Locked Up Like Someone's Dirty Secrets

By A.M. Rosenthal

NEW YORK — There are news stories that simply will not go away. The press can forget about them, but the public can't. They are the dirty secrets of the nation's past, and they are being kept hidden from the public. Suddenly they are alive again, demanding attention again.

This is about the case of the United Nations' vast secret archive of Nazi war criminals. UN officials have kept the files hidden from historians, journalists

ON MY MIND

and other interested members of the public for nearly 40 years.

And the countries that could demand that they be opened keep refusing — including the United States. It is a story that shows a deep reluctance in both Western and Communist countries to take a real look at the whole war crime era. "Pandora's box," UN diplomats call the archives; a revealing cliché.

The story begins in 1948 when the War Crimes Commission, going out of business, handed over about 38,000 files to the three-year-old United Nations. The commission, 17 nations, did not expect them to be put away and locked up. About 25,000 names were on a special list of people about whom the commission felt there was sufficient evidence to warrant prosecution.

The commission itself had decided in 1946 to remove the list from the "secret" category. Quite logical: How could war criminals be prosecuted when the names and charges were secret? The commission also said the archives were a valuable record for historians. Historians do not write secret books.

But about a year after they were entrusted to the United Nations, its officials decided that it would be best to lock them away and open them only to governments who discovered the names, and on a confidential basis.

No nation was interested until 1986 when the World Jewish Congress disclosed that the commission had concluded in 1948 that there was sufficient evidence to prosecute Kurt Waldheim in connection with the murder of Yugoslav partisans in World War II. Mr. Waldheim, reluctantly stepping out after 10 years as UN secretary-general, was running for president of Austria when the disclosure came. He won.

Then about nine months ago the pesky Israelis demanded and got confidential access to 300 files. They also asked Secretary-General Javier Pérez de Cuellar to open the files so that historians, scholars and journalists could examine them. Veteran UN specialists agree with Israel that it is rightly within the power of the secretary-general to open archives that the UN staff itself had closed.

But the secretary-general said he had to ask former member states of the long-dead War Crimes Commission — the Western allies and East European governments that had offices in London during the war. "Studying the matter,"

a U.S. representative told The New York Times in June 1986. "Very sensitive subject," confided the Belgians. The files remained locked.

Now the Israelis have asked for 2,000 more files but insist that the issue in any case is public access. Israel's ambassador, Benjamin Netanyahu, again asked the secretary-general to open the archives. No, said the secretary-general, the former commission members objected.

The Israeli position, which makes sense, is that the secrecy issue was created by the UN staff and runs counter to the original intent of the commission. They point out that a master list of names and summaries of charges found its way to a public American archive in Maryland. Any "protection of the innocent" argument is moot.

The material that Israelis have already examined under confidentiality

demand the attention not simply of prosecutors but of scholars and historians. It includes important material about who knew what in the West during the Holocaust, Gestapo actions in Poland, what German courts did in occupied lands, new details on Nazi medical experiments. It is not "secrets" that are locked up at the United Nations but a heartbreaking, invaluable record of organized murder, which belongs to history, not to the United Nations.

One commission member said open the files. Thus Australia furnished her name. The Soviet Union, not a member, was not asked but could have influenced the East European states.

These are the countries that said no to opening the archives: Belgium, Britain, Canada, China, Czechoslovakia, France, Greece, India, Luxembourg, the Netherlands, New Zealand, Norway, Poland, the United States.

Strange alliance.

The New York Times.

LETTERS TO THE EDITOR

Israel: Living 'the Action and the Passion of His Times'

Regarding the two-part series "The Real Promised Land Is America" (Meanwhile, March 10 and 11) by Jacob Neusner:

Jacob Neusner and I were classmates at Harvard College. He is an extremely prolific professor of Jewish Studies at Brown University, in Rhode Island, the state to which Roger Williams fled from the oppression of Puritan tyranny. I, a physician, chose to leave the land of my birth, thus following the instruction that our fellow Harvard alumnus had made in 1883. Oliver Wendell Holmes Jr. said then: "He who has not lived the action and the passion of his times cannot be said to have lived at all."

In his two articles, Rabbi Neusner wraps his imperial being in transparent cloth. It is sad to read his gushing praise of Jews in exile, and see his complete lack of understanding of the passion of his people. There exists in Israel a Jewish people who are coming together as a reborn entity. Slowly but definitely we are finding our way to a new Jewish way of life. Incentives, clashes of interest and background and a relentless challenge by our neighbors to our right to exist as a national entity make life in Israel a fascination to all of Western society. The excitement, however, lies behind this. It is the new Jew, the Israeli, who is the real thing today.

Jacob Neusner misses this point. Too bad. American Jews are able to be all those wonderful things he describes in his articles. But they are doomed to assimilation into the broad, multi-faceted American culture. Judaism in the future is a kind of action and passion that we cannot predict sufficiently well yet. It will grow, but not in strangers' fields. Justice Holmes would have dissented from Rabbi Neusner's remarks,

I believe, and would have been enchanted by renascent Israel.

BARUCH J. HURWICH, M.D.

Jerusalem.

Rabbi Neusner writes that it is better to be a Jew in America than in Israel. Why then have thousands of Jews stuck it out here for so many years? (My family has been here since the 1840s.) I don't care, Rabbi Neusner, if you "make aliyah" (emigrate to the Holy Land) or not, but please don't be spiteful. We are trying hard to survive here.

ALEXANDER NAKLIEN,

Tel Aviv.

For Rabbi Neusner, apparently, God

did not know what he was talking about when offered Jews the Promised Land.

MAX GENDEL,

Tel Aviv.

Rabbi Neusner is wrong when he writes that "Orthodox rabbis just now have told women to stay away from burials of the dead because they are 'impure.' So much for the state of Orthodoxy in the state of Israel." Actually, it was a unique situation. The local rabbi complied with the written request of a centenarian, which was reinforced by her family, that the funeral practices of her Moroccan birthplace be followed.

Thus, men and women were separated. So much for the state of Rabbi Neusner's scholarship in the state of Rhode Island, U.S.A.

JOSEPH LERNER,

Jerusalem.

Rabbi Neusner cannot claim to be any

kind of light, to Jews or to Gentiles.

S. RAMON,

Ramat Gan, Israel.

Nailing Down the Charges

Cheers for James Reston's opinion column "What Did the American People Know, and When?" (March 10). He found the head of the nail and slammed it again and again.

The trouble is that the Laxalts, Meeses, war contractors, Israeli lobby and other feeders at Uncle Sucker's trough of power and money know what Mr. Reston knows. Demonstrably they know how to appeal to us, the well-meaning, optimistic, credulous, stubborn and a little bit dumb Americans. Like so many sheep, we adored the actor-president who followed so well the subtle suggestions of the directors and producers of his show.

Then again, we all make mistakes. Certainly the powers behind the president wish that they had paid more attention to the White House basement.

BRYANT HARRELL,

Bornova, Turkey.

I have been a great admirer of Mr. Reston's clarity of thought and simplicity of expression for more than 25 years. He makes it look so easy! I agree with what he says about President Reagan, but could never express it as clearly.

A. MAWAZ,

Kuala Lumpur.

A.U.S. Double Standard

Regarding the editorial "South Korean Suspense" (March 11):

The double standard strikes again. U.S. Secretary of State George Shultz arrives in Seoul to preach to the South Koreans about democracy and the American Way. That would not be so bad if it were not for the fact that Mr. Shultz was fresh out of Communist China, where he praised Communist leaders for their recovery from their recent po-

litical crisis — which resulted in a crackdown on free speech, no less.

Listening in on Mr. Shultz's press conferences in Beijing and Seoul, a visitor from outer space might get the idea that South Korea is a human rights desert while China is paradise on Earth. His conclusion, upon a closer look, would be that Earth would be a good place to which to sell common sense.

MATTHEW TYLER,

Taipei.

The Formidable Maria

The tribute to Maria Jolas, "She Never Felt Detached From Either Place" (Meanwhile, March 12), revived fond memories of my meetings with the extraordinarily energetic Maria, then in her late 70s, at peace conferences around Europe 18 years ago.

We met again in Paris in 1973 when I was starting research on a film script for Peter Watkins about Louise Michel and the Paris Commune. Maria was full of helpful advice, her enthusiasm always highly charged with acute intelligence.

At a café near her rue de Rennes apartment, she easily outperformed the rest of us, most about a third her age, as she promulgated an early demand for Richard Nixon's impeachment.

She went on to criticize the film "Last Tango in Paris," which she considered a pornographic con job. Coming from the champion of the author of "Ulysses," her battering of Bernardo Bertolucci's then highly fashionable film amused us youngsters, although not one of us dared show amusement in front of the formidable Maria.

She will never be forgotten by those so fortunate to know her.

RICHARD WEBER,

Copenhagen.

Some Guys Actually Loafed On the Porch in Old Clothes

By William E. Geist

NEW YORK — The question before us is this: Do men dress to attract women? The answer, of course, is: Yes, but it doesn't seem to be working.

Men spend billions of dollars on clothes each year, trying to dress for success on the job and for success with women, yet we sense that somehow it is just the clothing industry that is enjoying the success.

MEANWHILE

For one thing, we aren't really sure what women want. We buy men's fashion magazines that tell us we can attract women by wearing Don Johnson outfits, but these "Miami Vice" dudes don't seem to work any better than the leisure suits the magazines once had us buying — let alone the Nehru jackets.

We are told in advertisements that after-shave lotion will give us "instant sex appeal," but it seems the more we put on, the further away the women go. "Why else," I was forced to ask myself aboard an elevator, "would she push the Emergency Stop button on 2 and walk up to 19?"

The alternative to dressing to attract women is undressing to attract them, a fashion strategy that seems less wise with each passing meal. Have you been to the beach lately? It takes a strong constitution.

Despite the fitness craze, the population is aging and seems to be expanding. Jaymar-Ruby Inc., a men's clothing company, is selling an awful lot of Sanabelt slacks these days, an awful lot.

The fashion magazines help, but when we see a nice casual "stay at home" outfit, too often the caption reads: sport coat, \$980; sweater, \$665; trousers, \$300; shirt, \$125; Italian loafers, a war-reparation figure. It's enough to make a man long to be back in the army, where a higher authority decided what you should wear and issued it to you. A certain kind of woman has always gone for a man in uniform, even in the 1960s. I noticed this in Bangkok.

A lot of men don't like shopping for clothes and trying things on. And it's embarrassing when we see something we like in a newspaper and rush to the store to buy it, only to realize we can't pronounce the name: "Could you direct me to the uh... ('Comme des Garçons' is what we want)... nearest exit?"

Fashion used to be easy. You'd just go to your closet and ask yourself, "What would Elvis Presley wear?"

But we've moved on now, most of us settling for bland respectability: pin-stripe suits, wing-tip shoes, polo shirts — you know. If such clothing attracts women, it is undoubtedly the wrong kind of women, the kind who probably wear the same clothes you do: pin-stripe suits, polo shirts, wing-tips.

Moreover, a lot of this neuter-wear is

purposely for men by women, and certainly not to make the men more attractive to other women. "No, really, darling, you look just... fine."

This move to a conservative fashion mode — in politics, style of dress, etc. — would seem to be a reaction to recent traumatic events in American history. I speak not of Vietnam or Watergate, of course, but of the leisure suit.

We were told, if only by our mothers, that we looked "nice" in our leisure suits, a fashion trend that came into being so we would have something to wear during a new chronological period called "leisure time." Before leisure time, humans were just sort of "off work." It was crazy.

People didn't know what to do — no one had told them — and instead of participating in "sanctioned leisure time activities," such as hang gliding and wind surfing, they completely wasted their "time off" by playing cards, horsing around with the kids, washing the car or even just sitting on the porch — and without the benefit of leisure wear. Some people just wore their old clothes. It wasn't pretty.

We took it on good faith that we looked sharp in our leisure suits: top-stitched, double-knit polyester, perhaps in a robin's-egg blue or banana, although orange was a favorite among state legislators. We thought women would swoon at our heavy gold chains and splashy shirts, open to the mesosternum, with planewing-style collars. We assumed that what would drive women wild would be wearing a leisure suit with a white-belt-and-white-shoes set, a look that came to be known as the Full Cleveland.

We were shocked and dismayed to learn that in the final analysis our leisure suits had actually been repugnant to women all along — although a few occasionally seemed to dig them, shooting furtive glances at us in line at the Fenderes Steak House.

Then one day it was — slam, bam! — all over. No more leisure suits.

We were at a loss for how to attract women until Don Johnson and his sidekick, Michael Thomas Philip, or some combination thereof, came on the scene. They wore a day's growth, dyed T-shirts with sport coats, and no socks with their shoes. The women were all over them.

Men in the industrial Northeast had trouble with that look. For one thing, it's cold up here. For another, life is more fun in New York than it is in Miami, and the neosocks thing just didn't look right with wing-tips.

I recently wore my Full Cleveland leisure suit outfit to a costume party, and thought I was pretty clever. Two things happened. No one laughed, which was a switch from when I wore it seriously in the 1970s. And women didn't talk to me, which was no switch at all.

The New York Times.

GENERAL NEWS

Israeli Jews on Trial for Talks with PLO

By Thomas L. Friedman

New York Times Service

JERUSALEM — For the first time in Israel's history, four Jews are being tried by their government for holding peace talks with members of the Palestine Liberation Organization.

The four were part of a delegation of Israelis that flew to Costinesti, Rumania, on Nov. 6, met for two hours with 15 middle-ranking representatives of the PLO, and then attended a banquet with them. The four said afterward they wanted to "make a dialogue for peace."

The Israelis are being prosecuted under an amendment to the Prevention of Terrorism Ordinance, which outlaws "supporting" terrorist organizations. The government maintains a list of groups it considers terrorist organizations, and the PLO is at the top of the list.

As the delegation arrived at Ben Gurion Airport in November, the four were handed orders to report to police for questioning while demonstrators demanded their arrest. If convicted, they face up to three years in prison.

"This is a trial about smiling and having dinner," said one of the accused, Latif Dori. "The government wants to make it impossible for me to talk to my enemy. I did not choose my enemy."

—Latif Dori, a member of Mapam

case see the defendants as misguided dreamers who damage Israel by propagating a myth that the PLO is something other than an irredeemable terrorist organization out to destroy Israel.

The meeting was tacitly sanctioned by the PLO's chairman, Yasser Arafat, but more extremist Palestinian elements tried to prevent it from taking place and threatened to kill those involved.

"The PLO is a terrorist organization and it is the enemy," said Gula Cohen, a member of parliament whose nationalist Tehiya Party led the fight to outlaw such contacts. "Contacts with the enemy undermine the ability of Israel to wage a war with its enemy."

The trial began March 9. The defendants are Mr. Dori, a leading

figure in the leftist Mapam Party; Yael Lotan, literary editor of the leftist newspaper Al Hamishmar; Reuven Kanner, an American-born educator; and Eliezer Felner, a member of a collective farm.

During the meeting in Rumania, both the Israeli and PLO delegates called for an end to violence and

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Supporters of the government's

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U.S. Did Not Use Israeli as Spy, Weinberger Says

By Edward Walsh

Washington Post Service

WASHINGTON — Defense Secretary Caspar W. Weinberger has denied that the United States used an Israeli military officer to spy on Israel. He said that it was "very damaging and very wrong" for Senator David F. Durenberger, Republican of Minnesota, to suggest that such a spy operation took place.

In an interview Sunday on U.S.

FUNERAL SERVICE

A service for

CHARLES GREY

who died accidentally in Palm Beach, Florida, on March 6th will be held at The American Cathedral, 23 Ave. George-V, Paris, on Wednesday, March 25th, at 12:30 p.m. In lieu of flowers, those wishing to express their sympathy may contribute to the memorial fund of The American Cathedral.

television. Mr. Weinberger was asked about Mr. Durenberger's assertion last week before two American Jewish audiences in Palm Beach, Florida.

The senator said that William J. Casey, who was director of central intelligence at the time, "changed the rules of the game" by authorizing a spy operation against Israel after its 1982 invasion of Lebanon. Mr. Durenberger is a former chairman of the Senate intelligence committee.

Mr. Durenberger's disclosure of the episode, first reported by the Jerusalem Post, was confirmed later by two sources. They said that the Israeli military officer volunteered to provide limited, classified information to the United States that proved to be "not dramatic, but useful."

"I know that's not the case," Mr. Weinberger said Sunday when asked about the operation.

"These are the most damaging kinds of statements because they immediately get picked up and used as justification for further espionage against the United States," he said. "I think it's a very damaging and very wrong statement."

Mr. Durenberger could not be reached for comment. But his administrative assistant, Doug Kelly, said, "Senator Durenberger disagrees with the secretary's comments but will have no further comment at this time."

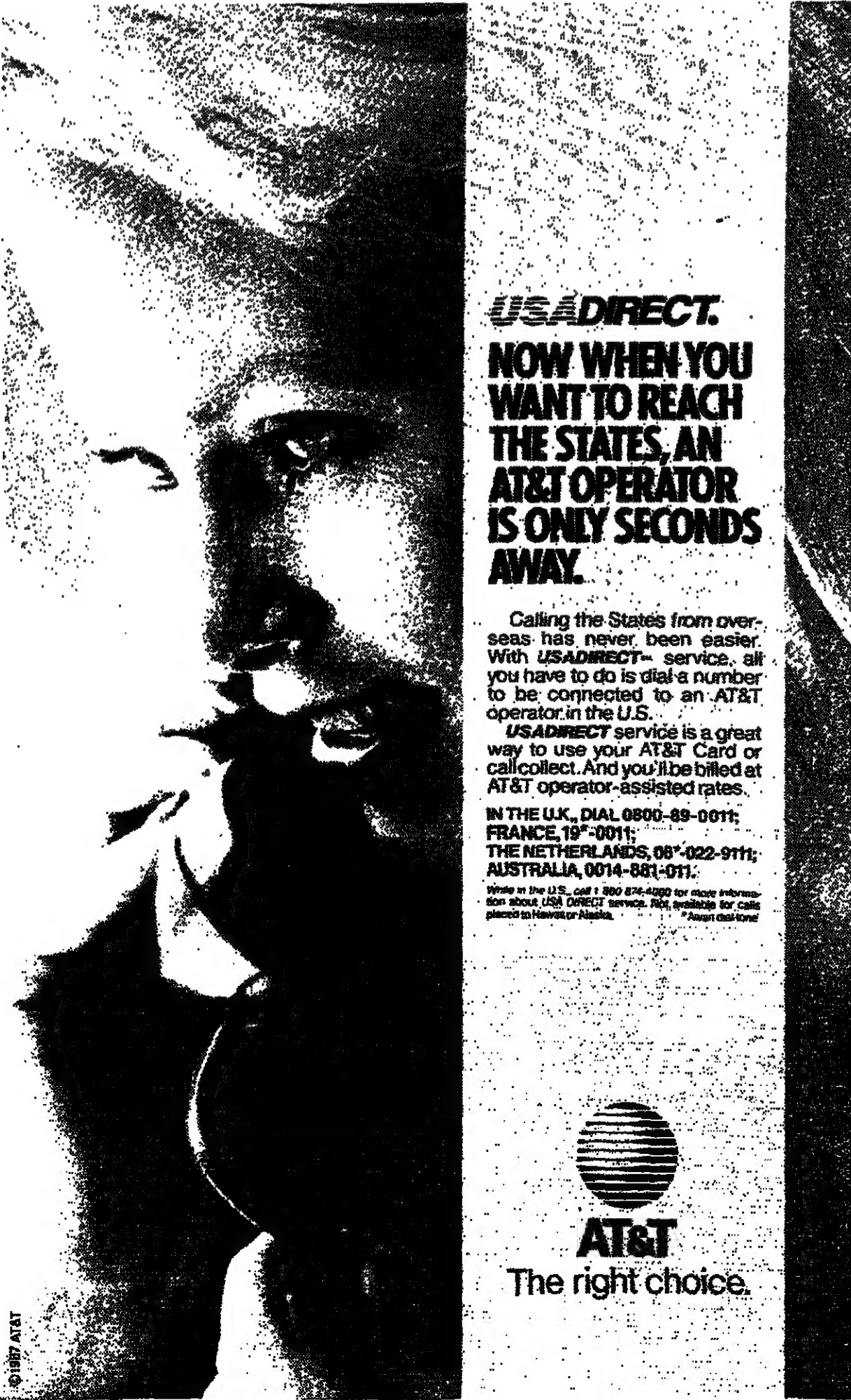
Mr. Durenberger's remarks about U.S. spying came at a delicate time in U.S.-Israeli relations because of the spy scandal involving Jonathan Jay Pollard, an American and a former civilian analyst for the U.S. Navy. Mr. Pollard was recruited by Israel in 1984 to spy on the United States. He was sentenced this month to life imprisonment for espionage.

Mr. Weinberger repeated that

the Reagan administration remained dissatisfied with Israel's response to the Pollard case, which he said had caused "very serious damage" to U.S. interests. Israel has maintained that Mr. Pollard was recruited in an unauthorized operation.

Meanwhile, Howard H. Baker Jr., in his first television interview since being named White House chief of staff last month, said that there was "a good possibility" that President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader, would hold a summit meeting later this year.

Citing progress toward an agreement on intermediate-range missiles in Europe, Mr. Baker said, "I would not be surprised if General Secretary Gorbachev came to the United States this year, but I have no assurance of that and no concrete indication of that."



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The War That Won't Go Away

In El Salvador, Fight Grinds On With New Tactics, Goals

By William Branigin

Washington Post Service

EL PASO, N.M. — Standing stiffly on the bridge over the Rio Grande, Colonel Leopoldo Antonio Hernandez saluted smartly as a band played the national anthem. His pistol was holstered on his right hip. Behind his back, in his left hand, he clasped a pair of scissors.

Colonel Hernandez's contribution to the seven-year war against El Salvador's leftist guerrillas this particular morning was a ribbon-cutting ceremony reopening a dirt road recently cleared by the army.

About 10 miles (16 kilometers) to the southeast, meanwhile, on the forested slopes of the Guazapa Volcano, units of the Farabundo Marti National Liberation Front are trying to re-establish bases around the volcano. Salvadoran soldiers, backed by planes and helicopter gunships, are trying to clear them out in a campaign called Operation Phoenix.

The ribbon-cutting ceremony and Operation Phoenix represent two sides of a civil war that, more than seven years after it started, grinds on with no end in sight.

Diplomatic and military sources here agree that this is still the "real war" in Latin America. While the conflict in Nicaragua between rebels known as contras and the Sandinista government ostensibly involves more combatants now and has captured much greater U.S. at-

tention, it is in El Salvador that the stronger insurgency is found.

It is a war marked by continually evolving tactics. Both sides have broken their fighting forces down into smaller units. The guerrillas seem to be veering away from overall military victory and toward attacks on the national economy.

A resurgence of major guerrilla operations this year appears to have sent a defiant message: that the U.S. policy objective of turning the war into a "low-intensity conflict" cannot be assured.

The guerrillas have brought nationwide transportation to a halt three times this year with threats to attack any vehicles using the roads.

The military is devoting an increasing amount of effort to a U.S.-financed civic action program called United to Reconstruct. Its aim is twofold: to change the military's image as a force linked with brutal repression, and to attack some of the causes of the insurgency.

Both sides seem to be devoting more attention to political and propaganda work aimed at winning over civilians. One result, according to human rights investigators here, is more progress toward "humanizing" a conflict in which an estimated 62,000 have died since 1979.

Prisoner exchanges have been organized in recent weeks. The government has allowed wounded rebels to be evacuated for medical

treatment, and killings by rightist "death squads" have dropped sharply.

The strength of the Farabundo Marti National Liberation Front has dwindled to an estimated 6,000 fighters since the early 1980s, when it was believed able to field as many as 11,000.

But the rebels have proven they can still hold some territory, administer local governments, carry out widespread sabotage operations and gather forces to hit military targets.

The big difference in the war nowadays, according to military and diplomatic sources, has been the vast improvement in the capabilities of the Salvadoran armed forces. The military has more than quadrupled in size since the early days of the war, when 12,000 to 14,000 soldiers fought the rebels.

The troops are better equipped and better trained, the sources said, because of a huge U.S. aid program that helps finance a military budget of more than \$100 million a year.

A crucial factor in the improved performance has been improvements in the air force, which have given the military greater mobility.

In a change of tactics to adapt to this new situation, the guerrillas at the end of 1984 began to break down into smaller units to avoid detection by military air power.

One result was that rebel leadership was stretched thin. To counter the shift in tactics, the military began to break its forces down into smaller units in 1986 and then experienced some of the same problems.

While there is no immediate prospect that the guerrillas will win the war, the outcome of a relentless weakening of the government and the economy through the guerrilla strategy of a war of attrition remains uncertain.

"The war the guerrillas are waging is the kind of war they can carry out for many years," said a European diplomat. "They're not in a hurry."

He added: "There's no way they can win militarily, but it's also difficult for the army to win militarily. It all adds up to the prospect of a much longer, drawn-out war."



In Beirut, a Frenchman Seeks to Save His Son

Marc Normandin, center, entered Moslem West Beirut on Monday to try to plead for his son, Jean-Louis, who was kidnapped March 8, 1986. The Revolutionary Justice Organization, a Shiite group, on Monday released a videotape of the French hostage and said that it had canceled plans to kill him, in response to pleas from religious leaders. Meanwhile, Tehran Radio said Monday that the group was also holding Terry Waite, the Anglican Church envoy who has been missing since Jan. 20.

Sierra Leone Military Thwarts Revolt

By Barbara Crossette

New York Times Service

FREETOWN, Sierra Leone — Forces loyal to the military president, Major General Joseph Momoh, thwarted a coup effort in Sierra Leone on Monday, government sources said.

The revolt, which the sources said was apparently led by senior police officers, included an unsuccessful raid on a military arsenal in Freetown.

A senior policeman was arrested on suspicion of leading the revolt, police sources said. He was identified as Joseph Kai Kai, an assistant superintendent in the New England district of western Freetown. His brother was also detained.

Police and army forces patrolled in central Freetown, and there was no sign of further trouble. The police sources said a search was continuing for other senior policemen suspected of having participated in the revolt.

General Momoh summoned top ranking police and army officers on Monday morning for discussions, government sources said.

General Momoh, a career soldier who had been commander of the army, became president in November 1983 in a peaceful transfer of power from the civilian president, Siaka Stevens.

Many Sierra Leoneans had hoped General Momoh would re-

vive the moribund economy and eliminate the corruption that had characterized his predecessor's 17-year rule.

By the end of last year, however, political sources were reporting widespread discontent over continued corruption and increased economic hardship.

Student unrest broke out in Sierra Leone earlier this year over food allowances.

Prices have soared since the decision in June to float the nation's currency, and there is a serious shortage of foreign exchange and fuel.

Last week, public bus services were severely hampered by the fuel shortage.

The Burmese Way Led a 'Golden Land' to Poverty

Nation Finds Little to Celebrate, or to Buy, Under Ne Win's 25-Year Rule

By Barbara Crossette

New York Times Service

RANGOON, Burma — Twenty-five years ago, a general little known to the outside world pushed aside independent Burma's elected prime minister and seized control of a young country still struggling to unify and grow.

Promising a "program of beatitudes," the general, U Ne Win, ushered in what he called the "Burmese way to socialism." Closing the doors to foreigners and foreign influences, and borrowing from the dictums and methods of Marxism-Leninism, he became one of Asia's most durable and enigmatic dictators.

But there were no large national celebrations this month to commemorate that coup of March 2, 1962.

Rangoon residents say this is partly because U Ne Win is a reclusive leader who shuns public appearances and has never tried to build a personality cult. He has dropped his military title, preferring to be known only as the chairman of the Burma Socialist Program Party.

But the silent shuffle past the milestone also has much to do, Burmese say, with the fact that the 75-year-old chairman, after a quarter-century in power, presides over an exhausted, impoverished country.

This year for the first time, Burma, with a per-capita annual income of about \$190, has quietly asked the United Nations to classify it among the world's least-developed countries, according to officials of international organizations. This could help the government get more aid or better terms for the \$3.4 billion debt whose payments consume three-quarters of its export earnings, diplomats say.

But questions from members of the legislature pointed to other, more fundamental structural problems: depleted land, crumbling roads, illegal levies by local officials who may be living on salaries as low as \$10 a month.

As prices rise rapidly, corruption pervades the military and civil service, Burmese say. A resident of Rangoon took a visitor to a spot at the edge of the city where military vehicles come to sell subsidized gasoline to civilian buyers.

Black-market oil prices have quadrupled here in a year, even as the price plummeted worldwide. Only one of the country's three oil refineries is reported to be working — at two-thirds capacity.

Foreign experts and many educated Burmese contend that many

of the country's problems stem from poor management and a shortage of technical expertise.

The country's political philosophy rests on two often vague and contradictory documents promulgated by U Ne Win after taking power: "The Burmese Way to Socialism" and "The System of Correlation of Man and His Environment." They are never discussed.

Dissent of any kind is not allowed in Burma, although a few clever satirists manage to circulate widely read fables and allegories.

"Only one minister has a college education," one Rangoon resident said. "So none of them understands what is between the lines."

Last April, the government withdrew the registration of local representatives of foreign companies, putting all trade under a state monopoly. At the end of the year, dozens of businessmen from Japan, Burma's largest aid donor, and South Korea, were asked to leave the country because of their unwillingness to comply. American aid is limited to primary health care and oil-seed development projects valued at only a few million dollars.

In recent parliamentary speeches by ministers, there were no hints that Burma's leadership was rethinking any of its basic policies — a stark contrast to the Vietnamese, who are now trying to "revolutionize" their economy with more private initiative.

But diplomats and other foreigners who work here say the Ne Win government has not been without its successes. Ethnic rebellions and a Communist insurgency have been pushed back to the country's borders and are often referred to now as merely "irritations."

Basic medical care has been extended to most parts of the country, hampered only by a lack of equipment and medicine. Schools and agricultural cooperatives to assist farmers have been built in rural areas. No one starves.

Private rituals and private housing have not been tampered with by the Ne Win government. Religions — Buddhism, Christianity, Islam and spirit worship — flourish as they no longer can in Communist Indochina.

But many Burmese say U Ne Win, cut off from the people by walls of security and layers of self-serving bureaucrats, is perhaps not even aware of the shortcomings of the "Burmese Way."

"I still think he is probably a good man, maybe even a kind man," one of his critics, a Burmese intellectual, said. "But he no longer knows how we live."

What is remarkable in the aftermath, diplomats, Kuwaitis and foreign residents say, is how little the conduct of the government and, at least by implication, that of the Sabah family, which has ruled since tribes came out of the Nejd Desert to found Kuwait in 1756.

"It was all a sort of a game, really," a Western diplomat said of Parliament. "But for the crown prince of an Arab country to have

to stand on his feet and answer criticism is very strange."

Crown Prince Saad al-Abdullah al-Salem al-Sabah, the emir's cousin and the prime minister, so tired of the exercise that he began spending long periods in London.

What the emir's decree demonstrated, diplomats and scholars here say, is the way in which oil wealth, rather than introducing new political ideas, has tended to reinforce the traditional tribal governing structure.

This was noted by a Kuwaiti sociologist, Mohammed Rumaihi, in his recently published book "Beyond Oil," when he wrote, "It is the ruling clan, in the form of the state, that distributes oil income."

"Capitalism and socialism are old economic definitions," Mr. Rumaihi said in an interview. "A re-

source like oil and a culture that is Islamic, Arabic and tribal dictates a certain kind of structure. The emir as the father has been in our culture a long time."

"Kuwaitis much prefer cash to democracy," a foreign resident said. "The bottom line here is that everyone is rich."

A Western diplomat said: "This is a country that is more capitalist than America and, in its own way, more Communist than the Soviet Union at the same time. But at heart it's a tribal structure. The emir liked Parliament, so it was good."

Mr. Montazeri told a group visiting him in the religious capital of Qom, "Regrettably, every day we play with each other's honor" and "discredit each other."

He warned, "The one who digs a well for a brother, he himself will fall in it."

The two principal contenders for power after Ayatollah Khomeini's death, Mr. Rafsanjani, 52, and Ayatollah Hussein Ali Montazeri, 63, quickly accepted Ayatollah Khomeini's admonition.

In a statement to parliament, Mr. Rafsanjani blamed "our enemies" for "creating discord whose traces are clear in the devices broadcast from their media."

He warned that "when and if we notice" such a power struggle, "we will be religiously obliged to stop it at whatever price," even if it means "exposing or sacrificing one person or a group for the nation."

Iranian officials up to Ayatollah Khomeini have attacked the Western media for focusing on the national competition between the most senior officials.

Last week, Ayatollah Khomeini, 86, told officials assembled at the city's Jamana mosque not to believe foreign press reports that "there is a power struggle in Iran."

The media, he said, assumed "that two factions are playing a tug-of-war for power."

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Iran Is Embarrassed By Reported Rifts Over Arms Sales, Leadership

By Patrick E. Tyler

Washington Post Service

TEHRAN — Iran's revolutionary leadership has been embarrassed by disclosures that it purchased U.S. arms through Israel and by reports that its religious hierarchy is involved in a bitter struggle over who will succeed Ayatollah Ruhollah Khomeini, according to Iranian and Western sources.

The sources say that the revelations of Israeli involvement in arms shipments and discussions about opening a political dialogue with the West have astonished many officials in the Islamic-based Iranian power structure.

The regime has emerged much of its revolutionary fervor over the last eight years by rhetorically lashing the twin Satans, the United States and Israel.

Particularly damaged by the disclosures, according to the sources, has been the prestige of Iran's powerful and politically adept parliamentary speaker, Hashemi Rafsanjani.

Having unequaled influence over the day-to-day governing of Iran and its strategy in the war against Iraq, Mr. Rafsanjani must now contend with the political fallout from disclosures of clandestine contacts he supervised with Israeli officials and agents.

Although Ayatollah Khomeini initially came to Mr. Rafsanjani's defense by cutting off a parliamentary inquiry into the arms deals, the sources said, Mr. Rafsanjani's political stature continues to be stained by the episode. It may have compromised his credentials to play the kingmaker role he has seemed destined to play.

"You can deal with the 'great satan' because everybody still really likes America," said a Western diplomat, "but the key point is the question of dealing with the Islamic, and Mr. Rafsanjani fears his association with dealing with Israel."

As a result, the sources say Mr. Rafsanjani has thrown himself more vigorously into preparations for new military offensives against Iraq while minimizing his comments about the clandestine arms initiative.

Presiding at Friday prayers last week for the first time in several weeks, Mr. Rafsanjani, who is usually loquacious, spent what observers said was an inordinately brief time discussing current events.

His only reference to the Tower commission report on the arms sales to Iran was an accusation that it "contains points which are made to incite the Soviet Union against us."

A number of observers have noted Mr. Rafsanjani's absence from recent parliamentary sessions. Officials familiar with the speaker's travels have reported him deeply involved in planning a major offensive on the southern war front.

Iranian officials, but particularly Mr. Rafsanjani, have repeatedly promised a decisive military push against Iraq before celebrations begin this weekend for the Iranian new year.

One diplomat, who a month ago was reporting to his government that Mr. Rafsanjani would control the political succession in Iran upon the death of Ayatollah Khomeini, said in an interview that he has modified his assessment.

"It is doubtful that he can maintain a strong grip on Iran after the death of Khomeini," the diplomat said. Mr. Rafsanjani's political future, he added, is now much more dependent on his performance as de facto commander of Iran's armed forces and as Ayatollah Khomeini's personal representative on the Supreme Defense Council.

"Rafsanjani is now very eager to lead the offensive successfully," the diplomat said. "And if he can, then he will control the political situation in the country on the death of Khomeini, but the future of the war is more related to his political prospects than ever before."

In recent days, other officials have attacked the Tower report as containing "lies" about direct contacts between Iranian officials and Israeli middlemen in the transfer of U.S. weapons to Iran.

Prime Minister Mir. Ehsan Mousavi, in an interview last week, said the Tower panel's reconstruction of meetings between U.S. and Iranian officials in Tehran in May "is more like a fiction fabricated by the melancholic mind of the former national security adviser, Robert C. McFarlane."

Mr. Mousavi, who worked out with oppositionists in the Tower commission to restore lost credibility of the U.S.

The commission's report detailed the participation and remarks of a "deputy prime minister" and "assistants to the prime minister" in secret Tehran meetings in May 1986 with Mr. McFarlane and Amman Mir, an adviser to Shimon Peres, who at the time was prime minister of Israel.

Mr. Mousavi acknowledged that so "official" from his side in charge of arms purchases, had been active in connection with the trip. "But he then denied the disclosure, saying, 'These claims are being made to alleviate the burden of humiliation of the American group who failed to talk' with any high official in Iran."

Iranian officials up to Ayatollah Khomeini have attacked the Western media for focusing on the national competition between the most senior officials.

Last week, Ayatollah Khomeini, 86, told officials assembled at the city's Jamana mosque not to believe foreign press reports that "there is a power struggle in Iran."

The media, he said, assumed "that two factions are playing a tug-of-war for power."

He warned that "when and if we notice" such a power struggle, "we will be religiously obliged to stop it at whatever price," even if it means "exposing or sacrificing one person or a group for the nation."

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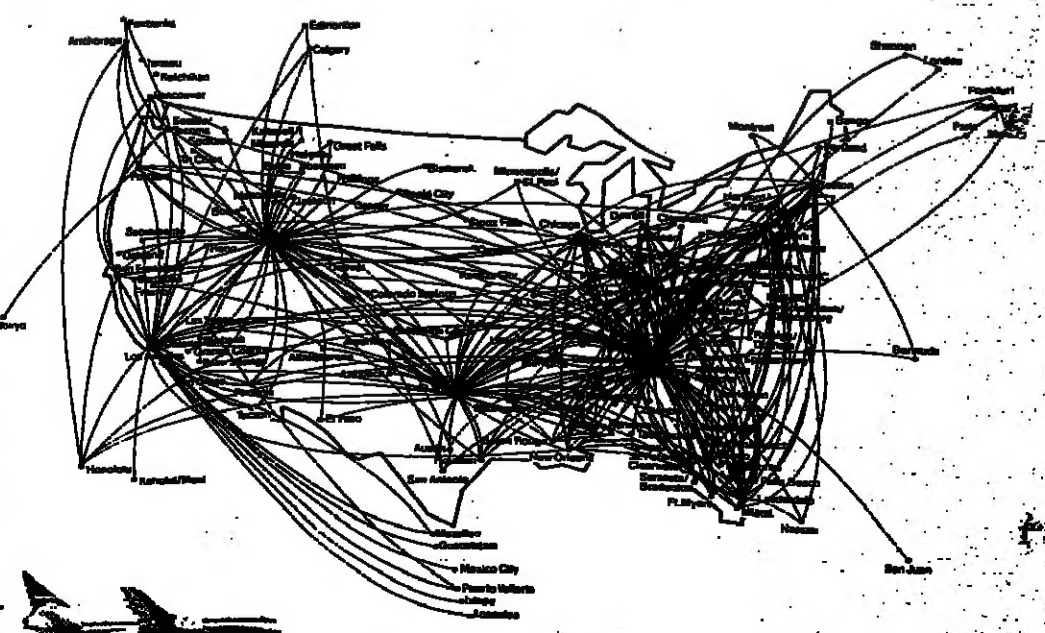
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هكمان النحل

Japan's Industrial Evolution

IN THE NEWS

Jan. 21: Currency Talks In Face-off With Dollar

In an attempt to break the U.S. currency's slide against the yen, the finance minister of Japan, Kichi Miyazawa, and the Treasury secretary of the United States, James A. Baker 3d, met for two hours in Washington. The officials reaffirmed their willingness to cooperate on exchange market issues but did not reach agreement to cut interest rates.

More on the YEN, Page 9

Jan. 23: Military Spending Allowed to Rise

Japan formally drops a policy that had put a cap on yearly increases in military spending. The 1976 law confined the annual military budget to less than 1 percent of the gross national product. The 1987 military budget rose to 1.004 percent of the GNP, or \$23 billion.

More on DEFENSE, Page 12

March 1: Proposed Tax Generates Protests

A proposed 5-percent sales tax spurs protests by opposition politicians, retailers and consumers, even members of the ruling Liberal Democratic Party. The tax would be Japan's first across-the-board indirect tax, and the first step toward reform of the domestic tax system.

More on the ECONOMY, Page 8

March 3: Nakasone Urges Creation of Jobs

Prime Minister Yasuhiro Nakasone calls for urgent measures to create new jobs after his government announced that unemployment hit a record 3 percent in January. Government officials attributed the joblessness of 1.82 million Japanese to declining exports.

JOBS, Page 11

'Anthopper' Is Breaking The Mold

By Takashi Oka

TOKYO — Japanese society is moving from the age of the ant to that of a new beastie, the anthopper. The change is bringing about a revolution in consumer habits and spending patterns. People still save: Government statistics show that savings averaged \$46,000 per household in 1983, 2.62 times as much as 10 years before. But they also borrow, to the tune of \$17,000 per household, or 3.47 times the amount of 10 years earlier.

They still buy things, but more and more they look for purchases that will express their individuality, rather than following the crowd. In work and play, they still tend to operate in groups but, as with their buying, they are beginning to assert individual tastes and desires.

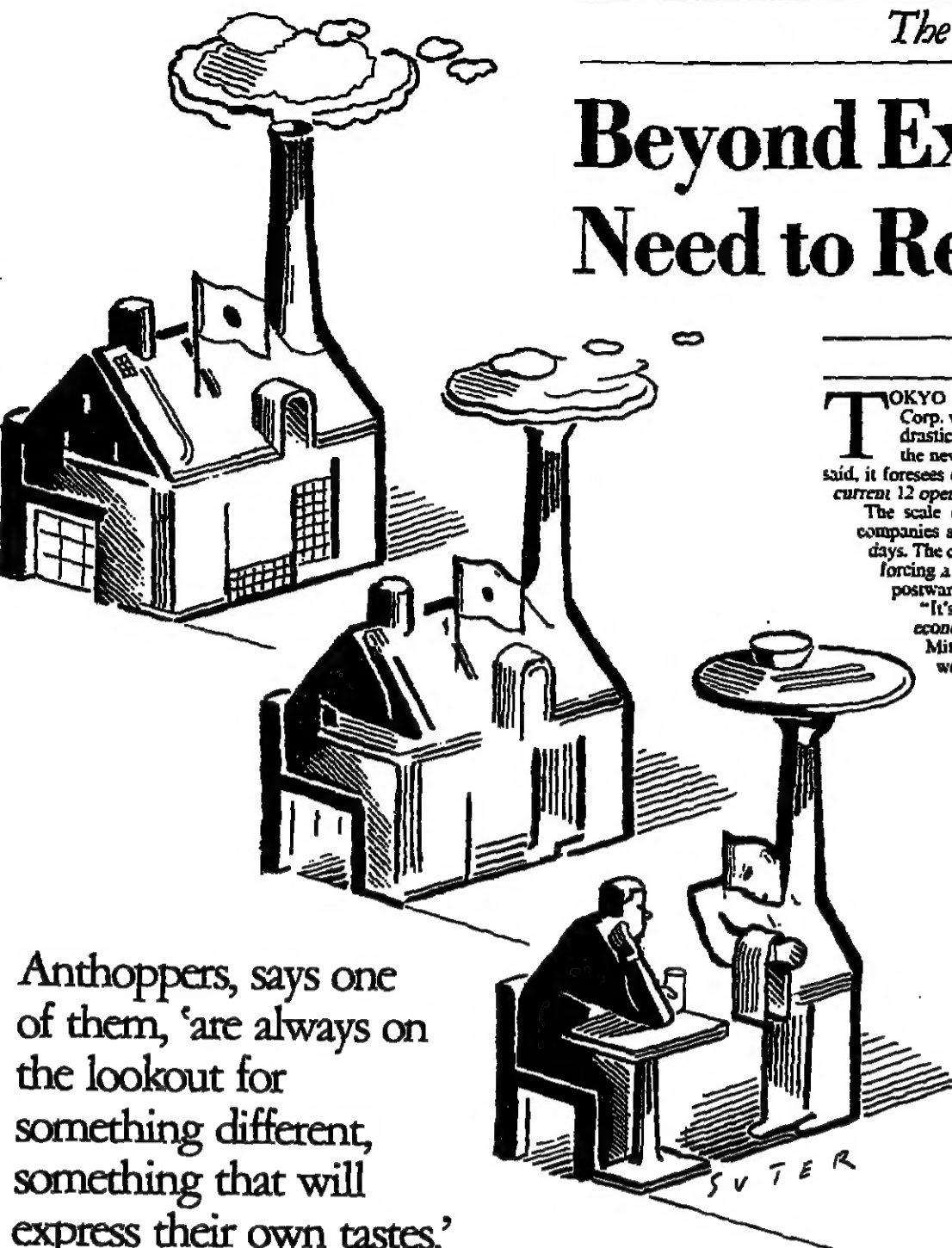
The anthopper, as you may guess, is a creature that combines the characteristics of Aesop's ant and his grasshopper. Westerners coming to Japan for the first time may feel that the ant mentality dominates. But to those living within Japanese society, the evolution is noticeable and somewhat alarming. After all, the anthopper is a hybrid, a transitional figure. Is he preparing the way for the triumph of the grasshopper?

No one can be certain. Dentsu, Japan's giant advertising and marketing company, popularized the term anthopper. Kimiharu Matsuda, a manager in Dentsu's marketing division, defines the creature as a middle manager in his late 30s who knows how to behave like an ant but is no longer satisfied just to be one.

Tadashi Ono, for instance, works for a company striving to catch and ride the new wave. Autorama Inc. sells Ford Fiestas and Lasers, made by Ford's Japanese partner, Mazda. Mr. Ono, 40, heads a team that is trying to customize interiors for clients with specific wants. How about a car with waterproof seat covers for surfers or scuba divers? Such a car would also feature a special saffron undercoating, which Mr. Ono is hoping to obtain from a U.S. manufacturer.

Mr. Ono is short and smiles easily. He loves his work, spending 10 to 11 hours a day in his office high in a Tokyo skyscraper. To that extent he remains a typical ant. But he does not carouse after hours with colleagues and customers, as those of an earlier generation would do. He repays \$330 a month on an apartment that he bought four years ago for \$112,500 and that is now worth more than twice as much. The rooms are tiny, but his daughter and son have their own bedrooms.

Mr. Ono comes home each day too late to share dinner



Anthoppers, says one of them, 'are always on the lookout for something different, something that will express their own tastes.'

Continued on page 10

The Yen Shock

Beyond Exports Lies Need to Restructure

By John Burgess

TOKYO — After maintaining suspense for months, Nippon Steel Corp. went public in February with details of its plan to slim down drastically and thereby gain hope of survival under the stern rule of the new, strong yen. Over the next three years, the giant company said, it foresees cutting 19,000 employees from its rolls and going from the current 12 operating blast furnaces to eight.

The scale elsewhere might not be so dramatic, but export-oriented companies all over Japan are facing similar unpleasant decisions these days. The country is locked in a recession brought on by the strong yen, forcing a painful shakeout in many of the industries that created the postwar prosperity.

"It's shaping up as a very tumultuous year for the Japanese economy," said Johnsen Takahashi, senior staff economist for Mitsubishi Research Institute. It could turn out, in fact, to be the worst since 1974 and the first oil shock.

The Japanese, who by nature look to the long term, hope, however, that it will be a blessing in disguise, a push toward a restructuring that should have started years ago.

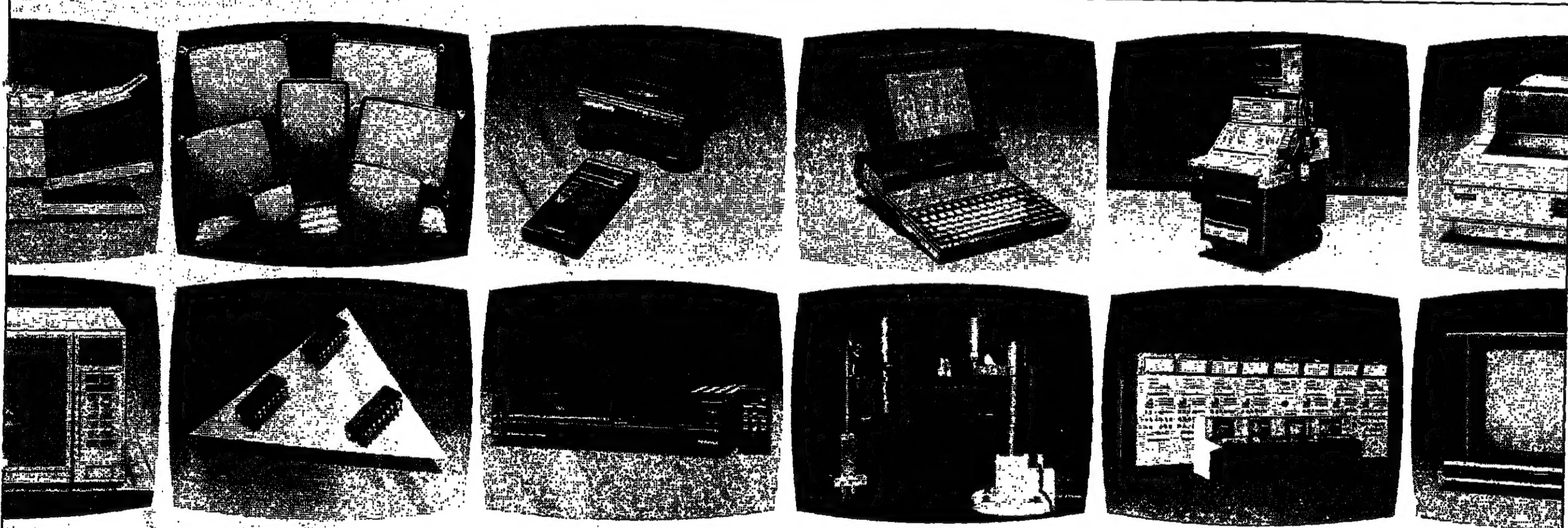
It is time for the \$2.2 trillion economy of Japan, bred on exports, to become "mature," politicians and bureaucrats here say constantly. It should move away from reliance on sales to foreigners for expansionary steam and toward the buying power of the 120 million Japanese.

Still, the hard times brought on by *endakka*, a hybrid word that means "high yen" and has entered the popular vocabulary with connotations of a grave sinister force, show just how far the country has to go in acquiring an economy based on domestic demand.

The recession dates to the September 1985 meeting at New York City's Plaza Hotel by finance officials from the so-called Group of Five, the United States, Japan, Britain, France and West Germany. They decided on a program of market intervention to drive down the value of the dollar. It was then worth about 240 yen, a relatively high value that was helping bolster Japan's mammoth trade surpluses by making its goods cheap to foreigners.

The Japanese went along reluctantly in the belief that damage from trade barriers that would be created if they did nothing would be worse than anything a currency realignment might bring. But along with everyone else, they were surprised by how far the dollar fell. It now trades for a bit over 150 yen, with

Continued on page 10



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In Touch with Tomorrow

TOSHIBA

Planners' Rosy Predictions Take on Recessionary Hue

By Gregory Clark

TOKYO—Japan's economy is in much more trouble than its planners have been willing to admit. Only six months ago they had convinced themselves that the shock of sudden yen appreciation to Japan's main export industries would be brief and would soon be canceled out by the benefits of cheaper imports and rising consumer spending.

They had estimated real gross national product growth in the coming financial year, which begins in April, at 3.6 percent, well up from the 2.5 percent level in the year just ending.

Today, this optimistic scenario is beginning

POINT OF VIEW

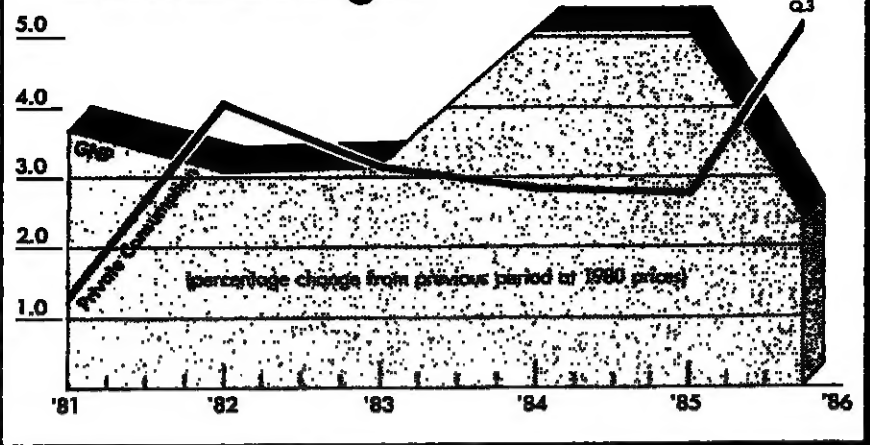
to fall apart. Pretax profits of major companies have fallen by about 20 percent in the past 12 months and leading export firms have seen falls in the 40 percent region.

The big five steelmakers say they will lay off more than 40,000 workers. Shipbuilders are in even worse shape. Unemployment has reached the high level (for Japan) of 3 percent. Investment in manufacturing plant and equipment fell by an estimated 7 percent to 10 percent in the past year while industrial production fell 0.3 percent.

Meanwhile, Japan's export rivals, mainly South Korea and Taiwan, continue to put export pressure on Japan. In steel production, Korea is much more efficient than Japan's older steel plants and is pressing hard on the productivity levels of even the best Japanese mills. It also exports more ships than Japan does. Increasingly, Japanese companies are having to get labor-intensive parts and materials from abroad or else manufacture abroad themselves.

The Japanese now talk in the same alarmist terms about the "hollowing-out" of their manufacturing sector that they used to reserve for the U.S. and West European economies.

Growth Slows, but Demand Surges



Worse are the signs that the fall in exports and manufacturing generally is starting to spill over into the rest of the economy. To date, nonmanufacturing investment has held up well: It rose by a healthy 12 percent in the current financial year. But estimates for the coming year show a downturn.

Electric power consumption, another good indicator overall, is also turning down. Private consumption spending is inching up at a low rate of 1 percent to 2 percent per annum.

Clearly, things are much worse than the planners had anticipated.

Nor is the cause of all this, the bulging trade surplus, likely to go away easily. Exports continue to outpace imports at a nearly 2-to-1 margin in dollar terms. Part of the reason is the J-curve effect of yen appreciation on export dollar earnings.

There are signs, however, that exports in

volume terms are also beginning to rise again. Exporters refuse to give up established markets abroad. They will cut costs to the bone, or even export at a loss, to keep those markets.

The falloff in the domestic economy puts even more pressure on them to export.

Few now go along with official claims that the yen is overvalued at about 150 to the dollar. Many now see further appreciation pressure, possibly to the 120 mark. Little credence is given to government forecasts that the trade surplus to the coming financial year will shrink to \$81 billion from the estimated \$94 billion in the current year.

Given all this, the government's reluctance to expand the domestic economy is inexplicable. True, it has cut its discount rate as far as it can, to a record low of 2.5 percent. But only now and under strong pressure from the United States is it considering the more important

step of expanding spending on public works and housing.

Even so, it seems clear that any official action will be a classic case of too little too late.

To date, the government has insisted that its first priority is to reduce the large burden of official debt inherited from more profligate days. Twenty percent of the national budget goes to debt servicing. Conservative planners worried about the mounting burden of welfare payments had persuaded the government to pledge a ceiling on public works and other budget items for well into the future.

Given Japan's high rate of savings, though, and the fact that the debt burden has peaked (at well below current U.S. levels, incidentally), Japan would seem to have good leeway to spend more on badly needed infrastructure such as urban renewal, sewage and better roads.

There are signs that a rethinking is under way. The government has promised to speed up the spending of money allocated for public works. If not this year, then next year, it says, it will increase the size of these allocations. In the meantime, it hopes the private sector will come to the aid of the nation and invest more.

The problem is that the private sector has already found other things to do with its surplus money. A stock market binge is one of them. Even more alarming is the intense speculation in urban land, which has pushed prices to levels where new development spending could easily be choked off.

Some urge major public works projects, such as filling in Tokyo Bay or moving the capital to a new site, as a way to absorb surplus private funds and reinvigorate the economy. But no one seems eager to come up with detailed plans or financing.

More likely, there will be continued hand-wringing while the grinding logic of the exchange rate forces the economy even further into a recessionary corner.

How long would a recession last? Few underestimate the ability of the still dynamic Japanese economy to adjust to difficulties. And the government seems genuine in its pledges to restructure the economy, including even agriculture, to allow more imports.

But as some point out, even if Japan imported all its coal, textiles, aluminum, oranges, meat and even some of its rice, it would reduce the trade surplus by only a few billion dollars. Far more important is a domestic deflation to reduce the pressure to export.

GREGORY CLARK is professor of international business at Sophia University in Tokyo.

Southeast Asia Is Cashing In on the Relocation of Japanese Industry

By Michael Richardson

SINGAPORE—Noncommunist countries in Southeast Asia that offer attractive investment conditions have started to benefit from a major relocation of manufacturing industries in Japan to other parts of the world.

This upsurge in direct Japanese investment in selected members of ASEAN, the Association of Southeast Asian Nations, was largely triggered by a rapid rise in the value of the yen

against nearly all other East Asian currencies and the U.S. dollar. Since September 1985, for example, the yen has appreciated 53 percent against the Singapore dollar.

This currency revaluation has made exports of goods produced in Japan substantially more expensive, while imports have become much cheaper.

The revaluation, combined with strong pressure from the United States and the European Community on Tokyo to reduce the huge Japanese trade surplus with America and Western Europe, is helping Southeast Asia.

A recent study by JETRO, Japan's External Trade Organization, noted that Japanese businesses, spurred by the yen appreciation, were reducing output at home and shifting production and procurement offshore.

The study said that in Asia, this intensifying trend began in early 1986 with South Korea, Taiwan, Hong Kong and Singapore and spread to Malaysia and Thailand in the second half of the year.

In an interview, Tan Chin Nam, general manager of Singapore's Economic Develop-

ment Board, said the pattern of Japanese investment in Asia was changing.

"Before, Japanese companies used to import raw materials and export finished goods, manufacturing outside Japan only those products that could be made cheaper than at home," he said.

"Now, more and more big Japanese manufacturers are introducing a division of labor. They make finished products and components wherever it is cost-effective."

Western officials said Japan's investment strategy was partly designed to alleviate friction with the United States and the EC by reducing its bilateral trade surpluses.

They said this was being done in two ways: by establishing manufacturing operations in the United States and Europe to avoid protectionist barriers; and by setting up or expanding plants in East Asia and other parts of the world to meet local demand and serve as export bases.

The officials pointed out that exports to the United States and the EC from Japanese industrial ventures in Southeast Asia did not show up in official U.S.-Japanese and EC-Japanese trade statistics.

They said an added bonus for Japanese companies with operations in third countries such as South Korea, Taiwan, Hong Kong, Singapore and its ASEAN partners was access to the U.S., European, Japanese and other developed-country markets through the generalized system of tariff preferences, which gives tariff and other advantages to approved products from developing and newly industrializing nations.

Mr. Tan said it had become common for Japanese companies in Asia to ship components and finished products back to Japan as well as to third countries.

In Thailand in January, after visiting Indonesia and Malaysia, Hajime Tamura, minister of international trade and industry in Tokyo, announced a four-point program of Japanese assistance to accelerate industrial development among the members of ASEAN.

Without giving details, he said Japan would provide technical and financial assistance to the region's export-oriented industries, increase its investment in manufacturing, help expand small and medium-sized enterprises, and enlarge technical cooperation.

The six ASEAN members—Brunei, Indonesia, Malaysia, the Philippines, Singapore

and Thailand—accounted for about 20 percent of the \$83.6 billion invested abroad by Japan in the 35 years to March 1986.

According to figures published by JETRO, just over 29 percent of the \$83.6 billion went into manufacturing, with ferrous and nonferrous metals, chemicals, electrical and transport machinery claiming the biggest shares. In the nonmanufacturing sector, Japanese investments were concentrated in commerce, mining, banking and insurance, transportation and service industries.

However, Asia's share of total worldwide

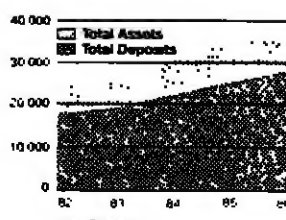
Brunei's market as too small to be attractive, while the Philippines was perceived to be politically unstable.

Indonesia, Southeast Asia's largest oil and natural gas producer and the world's fifth most populous nation, has attracted just over 10 percent of Japan's global direct investments since 1951.

Statistics issued last month by JETRO headquarters in Tokyo showed that, of the 126 cases of direct Japanese investment in ASEAN in 1986, 63 were in Singapore, 28 in Malaysia, 17 in Thailand, 13 in Indonesia and five in the



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More and more of the big Japanese manufacturers make finished products and components wherever it is cost-effective.

Japanese investment has been declining in recent years, dropping from 16 percent in the financial year that ended in March 1985, to 11.7 percent in March 1986.

In the year to last March, 45 percent of the \$12.2 billion in Japanese investments went to North America, 21.4 percent to Latin America and 15.8 percent to Europe.

Keichi Oguro, assistant director of JETRO's division for Asia and Oceania in Tokyo, said many more Japanese companies were planning to set up new plants or expand existing production facilities in Southeast Asia.

However, Toshitaka Iida, managing director of JETRO's Singapore office, noted that because oil and other commodity prices had fallen, Japanese industrialists were no longer so interested in securing access to raw material supplies in Southeast Asia by investing in resource-rich countries such as Indonesia.

In seeking offshore manufacturing bases, he said, they were looking for countries that offered political stability and a favorable environment for doing business.

He said most Japanese investors regarded

Philippines. No values were attached to these investments.

Thailand's Board of Investments said new Japanese projects seeking government tax incentives rose to 47 in 1986 from 27 the year before, and were expected to exceed 100 in 1987.

Japanese businessmen said Thailand's attractions included a cheap labor force, a large consumer population and an expanding economy.

Singapore has mounted a sustained campaign to attract Japanese and other foreign investment over the past 18 months and its success has helped lift the economy out of recession more rapidly than expected.

In 1986, Japan moved ahead of the United States to become Singapore's largest foreign investor, accounting for 34 percent of total commitments.

MICHAEL RICHARDSON is the International Herald Tribune's correspondent for Southeast Asia, based in Singapore.

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U.S. Congress Set to 'Bash' Japan

By Clyde H. Farnsworth

WASHINGTON — Within the last two years three Asian leaders — Rajiv Gandhi of India, Lee Kuan Yew of Singapore and Corason C. Aquino of the Philippines — have addressed joint sessions of the U.S. Congress.

This spring around cherry blossom time, Prime Minister Yasuhiro Nakasone of Japan is expected in Washington, and Japanese officials are angling for him to get a similar invitation.

Some U.S. officials, however, worried that the increasingly prickly trade relations between the two countries could cause some personal embarrassment to the Japanese leader, are politically urging that the Japanese reconsider.

A staunch internationalist, Mr. Nakasone, during his four-and-a-half-year reign in Tokyo, has developed close ties with President Ronald Reagan.

Yet, over the same period, Japan's trade surplus with the United States, reflecting at least in part Japan's reluctance to buy American, has more than quadrupled to nearly \$60 billion, and resentments against Japan have deepened.

Legislators gave Lee Kuan Yew a standing ovation during his October 1985 address after he told them of Japan's reluctance to import even from other Asian nations and urged members of Congress to "coerce Japan with all the power at America's command."

The members are following his advice. In the congressional hopper are a number of bills aimed at "bashing" Japan. One, for example, calls on the president to retaliate for Japan's failure to live up to a semiconductor trade agreement. A Senate trade bill labels Japan outright as an "adversary." The United States would have to curb imports from Japan and other surplus countries under a House bill expected to clear by Easter.

"This may be the year in which the string runs out on Capitol Hill," warned the U.S. trade representative, Clayton K. Yeutter. "The level of frustration with Japan is higher than I have ever seen it."

Although Mr. Reagan would probably veto legislation forcing trade retaliation against Japan, Mr. Yeutter warned in an interview that a veto could become "irrelevant" should such legislation clear overwhelmingly, as is now indicated.

But Japanese resistance to U.S. trade demands is also strengthening, mainly because the dramatic shift in the yen-dollar relationship has hurt export-oriented industries and brought a new phenomenon to Japan — rising unemployment.

So as Mr. Nakasone admires Washington's cherry blossoms, the two nations will be facing what many analysts



Nakasone and Reagan: Is this the Year of the Showdown?

believe is their most serious trade confrontation of the postwar period.

Japan has just reported that unemployment rose in January to 3 percent, the highest level since monthly reporting began in 1953.

Although it is less than half the U.S. unemployment rate, the Japanese figure, which means nearly two million are unemployed, has caused a deepening anxiety that is being reflected in less resilient Japanese positions at the trade bargaining table.

One big worry is that corporate expansion in the United States and elsewhere overseas is leading to a "hollowing out" of the industrial base in Japan. A recent government report predicts that domestic employment opportunities will shrink by 600,000 jobs by the year 2000.

The mounting frustrations on both sides have stiffened negotiating positions, making compromises less likely on a whole range of issues from semiconductors and supercomputers to the awarding of contracts for a mammoth \$8.5 billion airport construction project in Osaka Bay.

S. Bruce Smart Jr., undersecretary of commerce for international trade administration, who recently returned from negotiations on semiconductors and supercomputers in Tokyo, said he found the Japanese positions "clearly a lot tougher than ever before."

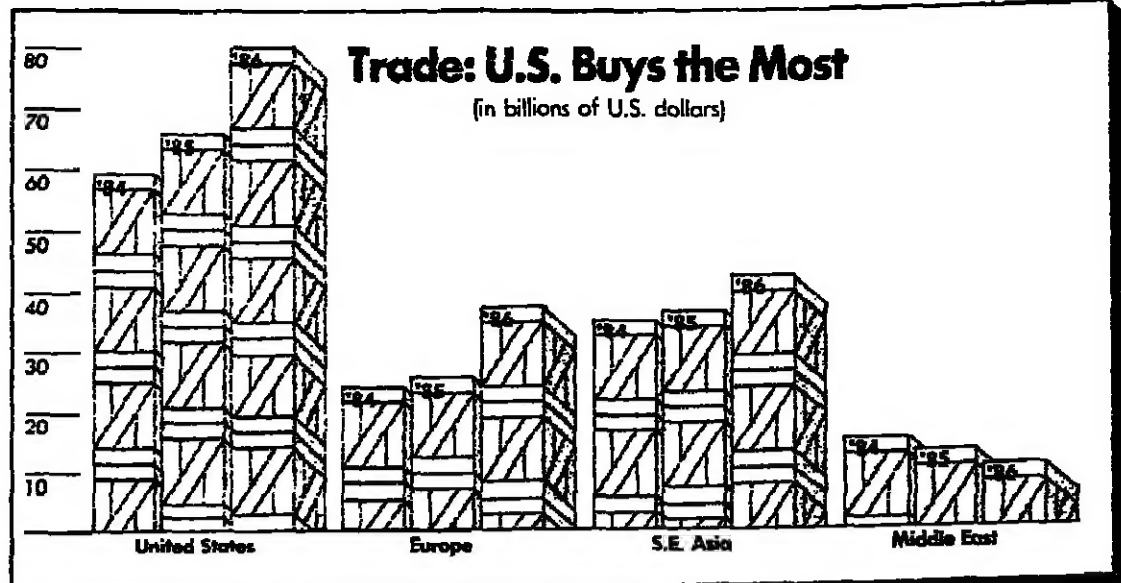
These are the most pressing of a number of specific trade conflicts: **Semiconductors:** Japan agreed last July to open its market to sales of American computer chips. The target was \$2 billion of additional exports in five years. The Japanese also agreed to help ensure that Japanese companies quit "dumping" chips in the United States and third-country markets at below fair value. "Clearly, we are very disturbed that Japan has not fulfilled its obligations under that agreement," said Mr. Yeutter. [In Tokyo, Trade Ministry officials on Monday announced a cut in production of semiconductors to avert U.S. sanctions.]

Kansai Airport: The Japanese are building an island in Osaka Bay for a huge airport to service the Osaka region. But U.S. and other foreign companies are effectively barred from any of the major construction work. The Associated General Contractors, the trade body for the U.S. construction industry, wants the U.S. government to file an unfair trade practices complaint under Section 301 of the Trade Act of 1974. A more draconian alternative is for the United States to bar Japanese companies from bidding on U.S. air-

port construction projects. Legislation to do this has been introduced by Senator Frank H. Murkowski, Republican of Alaska.

Supercomputers: The Reagan administration has begun a formal investigation of Japanese barriers to the import of these huge and unusually fast computers, which cost up to \$20 million each. Despite an acknowledged technological lead over the Japanese, the United States has only 23 percent of the Japanese supercomputer market, compared with 86 percent in the rest of the world. The U.S. industry has not sold any supercomputers to the Japanese public sector. The investigation could lead to a formal trade complaint and retaliation.

Auto parts: The annual deficit in U.S. auto-parts trade with Japan has risen to roughly \$7 billion a year. Since a 1980 agreement, the Japanese have bought only \$200 million of U.S. parts. The agreement had called for purchases of \$300 million in 1981 alone. Now the United States is again pressing the Japanese for greater access, this time within the framework of the so-called MOSS (Market-Oriented Sector Selective) talks. So far, the Japanese have agreed only to provide information, a breakdown of the broad categories of Japanese auto-parts purchases.



The tensions with Japan are rising despite the acknowledgment by many in the United States that the loss of U.S. competitiveness is at least as important an element in the trade imbalance as unfair trade practices in Japan or any other country.

The Japanese Embassy's economic counselor, Yoshiji Nogami, pointed to the "growing feeling in Japan that the trade problems between the two countries are rooted in the U.S. situation."

Against the rising acrimony, some

analysts still see a turn for the better in the trade situation and fear that excessive U.S. pressure will be counterproductive.

"I believe we are going to see a trade improvement in the coming months," said Robert Z. Lawrence, senior fellow at the Brookings Institution. "It is clear that the Japanese are beginning to be hammered in third-markets in terms of price competitiveness."

"Japan bashing will not help in this environment," said George R. Packard,

dean of the School of Advanced International Studies of Johns Hopkins University and director of the Edwin O. Reischauer Center for East Asian Studies. "It will cause more resentment, make it more difficult to get concessions and trouble the waters for Nakasone."

CLYDE H. FARNSWORTH is a New York Times correspondent based in Washington.

Yen's Rapid Appreciation Makes No One Happy

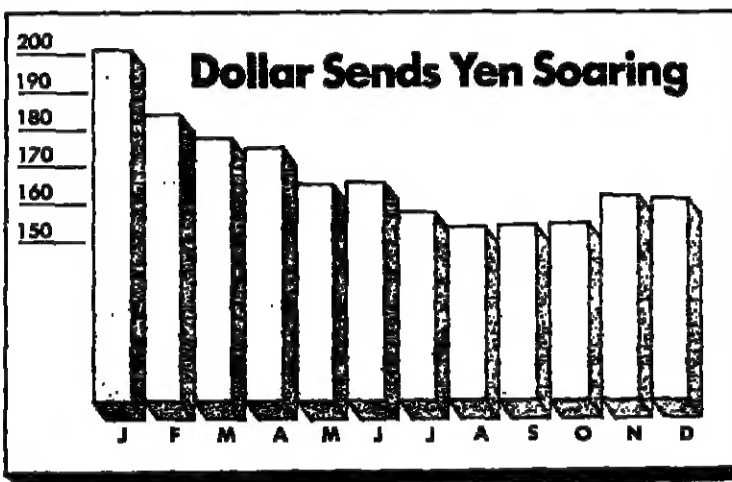
Special to the IHT

TOKYO — In a world of floating currencies, the policy maker dreams. If the financial and monetary authorities of the major industrialized nations have learned anything during two years of trying to solve economic imbalances by juggling with exchange rates, this must be it.

The rapid 40 percent fall of the dollar against the yen since the September 1985 New York agreement between the United States, Japan, West Germany, Britain and France to knock down the overvalued dollar has achieved almost nothing that was expected of it.

Figures sometimes lie, but not in this case. Japan's trade surplus with the world shows no signs of a rapid turnaround, despite the loss of price competitiveness in Japan's major market, the United States. Meanwhile, U.S. exporters seem unable to achieve a quick rise in overseas sales, despite the much more attractive prices of their goods in Japan because of the weak dollar.

In Japan, the structural distortions of the domestic market, coupled with and aggravated by the inability of the government to come up with a solid relaxation package, have reinforced the harmful effects of the strong yen on the



economy. Japan is facing a mini-recession, which could turn serious.

The government is caught in a dilemma: It is committed to holding down spending so as to wipe out a dangerous national debt, yet locked into promises to its U.S. and European allies to reflate its economy.

On March 10, Japan announced a \$7.13 billion February trade surplus,

almost double the figure from a year earlier and compared with a \$4.30 billion surplus in January. The figures seemed to underline complaints by a U.S. trade delegation that Japan had still not done enough to boost its economy.

The apparently contradictory trends can be largely explained by currency movements and an increasing realiza-

tion by the authorities that they do not have as much power to influence markets and economies as they thought.

The very rapid rise of the yen against the dollar has meant that trade figures on a dollar basis have jumped, yet Japanese companies' profits on a yen basis have slumped.

The apparent success of the Group of Five after New York in devaluing the dollar by concerted intervention and by official policy statements blinded policy makers to the underlying currency movements. By the time of the New York meeting, the dollar was already on the way down, from a high of more than 260 yen at the beginning of 1985 through about 240 in September down to just over 150 now.

The Group of Five hit a market that wanted the dollar down. Now that most market operators are still dollar sellers but the authorities want stabilized rates, the governments are finding it much harder to keep currencies where they want them.

In January, the Bank of Japan just managed to stop the dollar falling below 150 yen, at the cost of buying almost \$9 billion in the open market. Last month, the chairman of the U.S. Council of Economic Advisers, Beryl W. Sprinkel, told Japan that central

bank intervention was no longer effective in stabilizing the market, which had grown too big to handle.

Market dealers agree that any concerted economic policy package among the five nations would have a tremendous impact on stabilizing rates.

However, the rapid breakup of last October's U.S.-Japanese pact to stabilize the yen against the dollar in return for more Japanese domestic economic stimulation, and the subsequent weak results from the Group of Five meeting in Paris this year, make that prospect highly unlikely, senior dealers believe.

Such a move has also been undermined by a distortion in currency rates stemming from the yen's depreciation against European currencies. Compared with two years ago, the yen has hardly moved against the European Currency Unit, which stands at about 175 yen. It is now falling against individual European currencies, especially the Deutsche mark.

A good reason has been healthy European sales to Japan. However, Japan has had even better sales to the European Community as Japanese companies switch out of their now underpriced U.S. market. Brussels has started to complain.



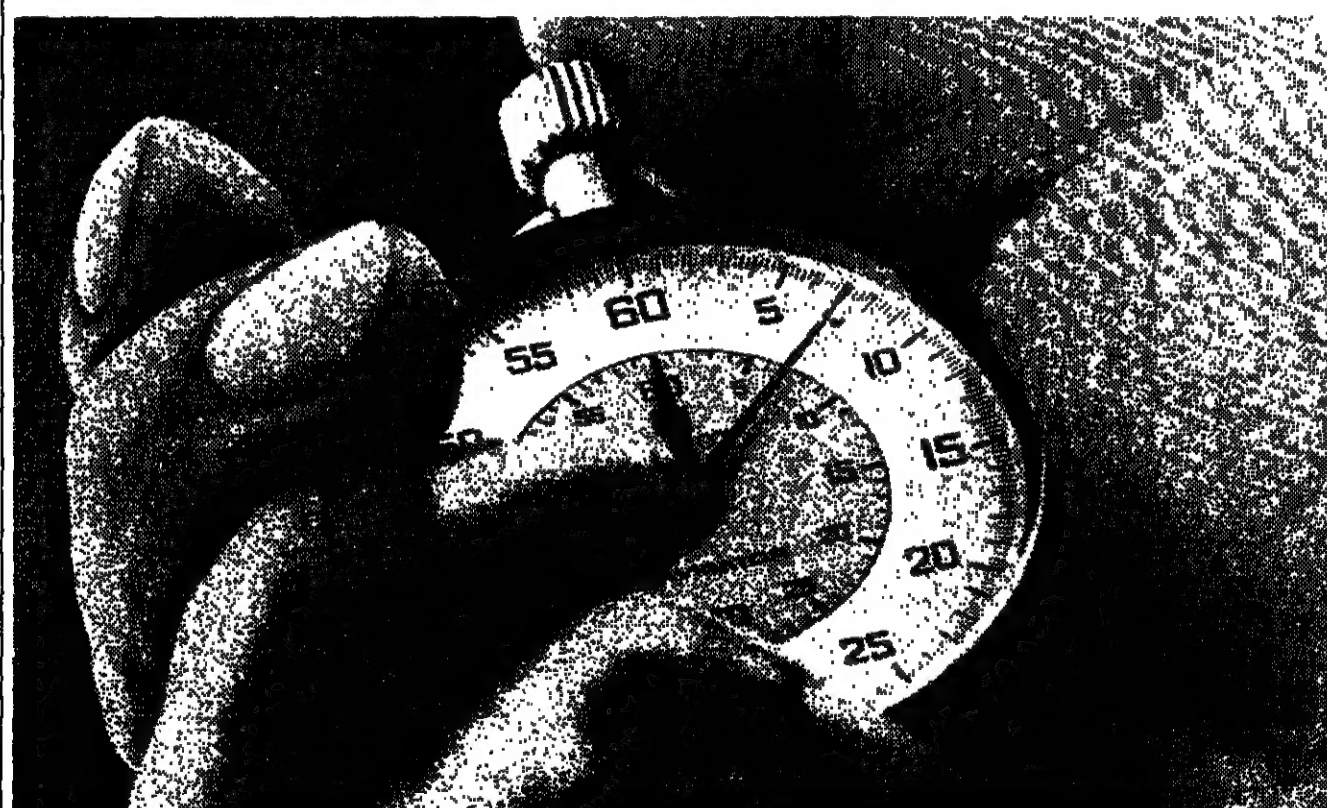
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The Labor Market

هيكلمان الدحل

'Throwaways' Seek A Better Deal for 'Part-Time' Work

By Christine Chapman

TOKYO — Masae Kimura, a 43-year-old housewife, works in a box-making factory six days a week, seven hours a day. She has Sundays and national holidays off, but that is the only vacation she gets unless she takes a few days at her own expense. She gets no paid vacation, no health insurance, no bonuses, no retirement pay, and if she leaves work early, she forfeits the hourly wage of 550 yen (about \$3.60, or 40 cents above the minimum 488 yen).

Mrs. Kimura is one of 3.5 million part-time women workers who made up 22.7 percent of the work force in 1986. Although her 42-hour week is labeled "part-time," the maximum full-time schedule is 48 hours a week. According to the Ministry of Labor, many companies are reducing the 48-hour week, which is thought excessive for full-time employees.

Mrs. Kimura considers her situation an improvement over the days when there were few opportunities for part-time work. "Things are a little better now," she said in the office of the Edogawa Union, a Tokyo local confederation of labor leaders and small-company workers, full-time and part-time. "When I began working about 17 years ago as a clerk in a supermarket, my children were in kindergarten and not many mothers had a part-time job. Or they worked very few hours."

These days, with nursery and day care available, they are working longer hours. Companies prefer them as cheap labor. "Talking to the amiable, unflappable Mrs. Kimura, one would hardly guess that she is a heroine to her sister part-timers. An unassuming woman, she hurries home after her job ends at 5 o'clock to make supper for her husband, then gets on a city bus to go to union headquarters and work on local labor affairs."

In 1984, she was something of a firebrand, a fighter determined to retrieve wages that she had earned but that a bankrupt company refused to pay. That year, Masae Kimura was working in a box-making factory, preparing meals to be sold daily. The company went

bankrupt, the president disappeared and none of the 46 employees, all part-timers, received their wages for two months.

"Most of us were women, with only five men," Mrs. Kimura recalled. "Many of them gave up trying to get the money, but I couldn't give up 200,000 yen, about \$1,000 then. I called the government's branch labor office and they told me about the local union."

"I brought 30 people with me who were laid off at the box-lunch company. After 18 months we got the money back. It was an important incident at the beginning of this union, the Edogawa local."

The local had been formed less than six months earlier with 37 members to represent part-time workers. With the efforts of the union's leaders, most of the missing wages were paid to the 46 employees. Masae Kimura is now a vice-chairman of the local, which has 256 members.

With the number of part-time working women tripling since 1970, unions have begun to support them. Women, once called "throwaways" in the Japanese labor market, represent 70 percent of part-time workers. Women who work part-time have become essential in an economy where the 3 percent unemployment rate is a record high. They are being used in blue (or pink) collar jobs in small factories, restaurants and coffee shops, grocery stores and department stores and other service industries.

In Edogawa Ward, where Mrs. Kimura works and lives, there are more than 6,000 offices and factories. "They are small companies that can't afford full-time workers," said union chairman Masaaki Kodama. "The average staff is ten people, often only two or three. Many workers and businesses need consciousness-raising about part-time employees."

The union and Mrs. Kimura would like to effect two important changes in government policy: One is to increase the maximum annual income allowed to a dependent spouse from 900,000 yen, about \$3,882, to 1.2 million yen, about \$7,843.

"I'm trying on purpose not to earn over 900,000 yen," said Mrs. Kimura. "When we

Women in the Work Force

Labor statistics show that nearly half the women in Japan hold jobs. However, only 25 percent of women aged 15 and older have regular, full-time employment, while 22 percent work part-time.



Typically, young women leave college and join the work force, remaining until marriage or childbirth. Fewer than half re-enter the labor market after childbirth. Most work in small enterprises or family businesses.



At age 65, about 50,000 women continue working at part-time jobs.

For women aged 50-54, the average length of service is 15 years in large firms, compared to 26 years for men. The importance attached to seniority in Japan's employment system puts women at an earnings disadvantage.

Just When Japanese Thought Joblessness Was a Thing of the Past...

By Andrew Horvat

TOKYO — Long thought to be immune from the kind of large-scale unemployment that has plagued other industrialized countries, Japan is about to experience its worst period of joblessness in more than 30 years.

Japanese companies are not simply eliminating jobs; they seem to be letting go of ideas long assumed to be the ingredients of Japan's postwar economic success story — lifetime employment and a strong link between seniority and wage increases.

There are many reasons for the layoffs in Japan but the most apparent is the sudden appreciation in the value of the yen. The dollar, which was worth 242 yen 18 months ago, is trading at just above 150 yen these days. This has meant that in order to earn the same in yen terms as in September 1985, Japanese exporters would have to raise their prices 61 percent.

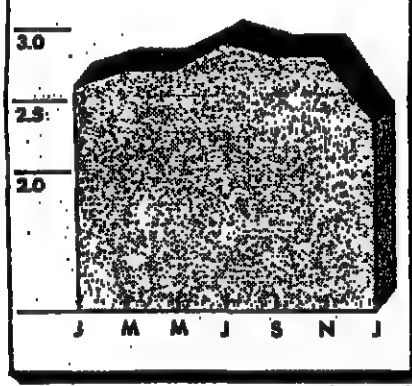
Although the prices of some Japanese products have increased overseas, most manufacturers have adopted drastic cost-cutting measures at home in order to stay competitive abroad. In many cases, this has meant the elimination of thousands of jobs, the closure of plants and the transfer of work to lower wage areas overseas.

The worst hit of Japan's industries have been steel and shipbuilding, which were already facing difficulties before the revaluation of the yen. Nippon Steel, the world's largest steelmaker, announced earlier this year a plan to shut five of twelve blast furnaces, eliminating 19,000 jobs in the next three years. Although a company spokesman insisted that only 4,000 workers would actually be let go, with others being transferred to related companies, the net result will be a reduction of jobs available for Japanese.

About 37 companies in fields ranging from shipbuilding to electronics have announced 45,000 layoffs. The coal industry will lay off 10,000 miners from a total work force of 24,000. Labor Ministry officials say 38 percent of manufacturing firms have already reduced their work forces as a result of recent changes stemming from the yen's rise.

Record Jobless Rate

(as a percentage of total workforce)



Source: OECD

Added to the thousands of jobs being phased out by declining industries are nearly a million new jobs that Japan's still competitive automobile and electronics companies intend to transfer overseas in the next 15 years.

Japanese business leaders say they have no choice but to move production abroad. "Since the sudden increase in the value of the yen our expenditure on wages is now six times what our competitors pay in the newly industrializing countries," said Takashi Kashiwagi, a director of Hitachi Ltd.

Labor Ministry officials estimate that the high yen has driven 50 percent of Japan's leading manufacturers to move part of their production overseas. Those that are not actually moving factories abroad are cutting down domestic production and increasing procurement of parts from abroad.

Strange as it may seem, however, Japanese unemployment is hardly perceptible to the outsider. According to official figures, joblessness stood at 3 percent in January, compared with 11.6 percent in Britain, 10.5 percent in France, 9 percent in West Germany and 6.9 percent in the United States.

The official figures, however, do not tell the whole story. To begin with, Japanese statistics are based on the assumption that anyone who works more than one hour a week is employed. Moreover, unlike in most countries, soldiers are included in the labor force.

The Japanese practice of sending workers home to wait out tough times at half-pay also makes comparisons difficult. According to the Sanwa Research Institute, just under a million workers are functionally unemployed in this way in the manufacturing sector alone.

Statistics also fail to record the human tragedies of the thousands of workers who will be summarily sent by management to any company willing to take them in.

Bunpei Otsuki, head of the Japan Federation of Employers' Associations, stressed in a recent interview that Japanese companies "must make utmost efforts and find ways not to fire employees. Unless we do so, the trust between management and workers will be in jeopardy." But it is difficult to tell whether Japanese workers will be any less resentful of employers if instead of being fired they are shunted off to low-prestige, dead-end work at affiliated companies as part of a process of involuntary transfers.

The specter of large-scale unemployment has cast a shadow on this year's annual spring labor offensive, or *shunto*, the period when Japanese unions negotiate for higher wages. In previous years, steel workers were the first to settle their contracts and the wage increases they received acted as a barometer for other industries. This year, however, steel workers are demanding job security; wage increases are out of the question.

Although lifetime employment never extended to more than 20 percent of Japan's labor force, there is little doubt that in the next three years even fewer Japanese workers will be allowed to stay on until retirement. According to Mr. Otsuki, if all Japanese companies make the effort to retain workers and resort to transfers instead of dismissals, Japan's unemployment rate "will be contained at the 3 percent level." But a government report released in early March predicts unemployment will reach 4 percent by 1990.

Indications are that a number of Japanese

employers are also taking advantage of the depressed labor market to pare down payrolls that reward age over ability. Management at Nissan Motors and Kobe Steel are reported to be pressing for formulas aimed at assessing the performance of workers.

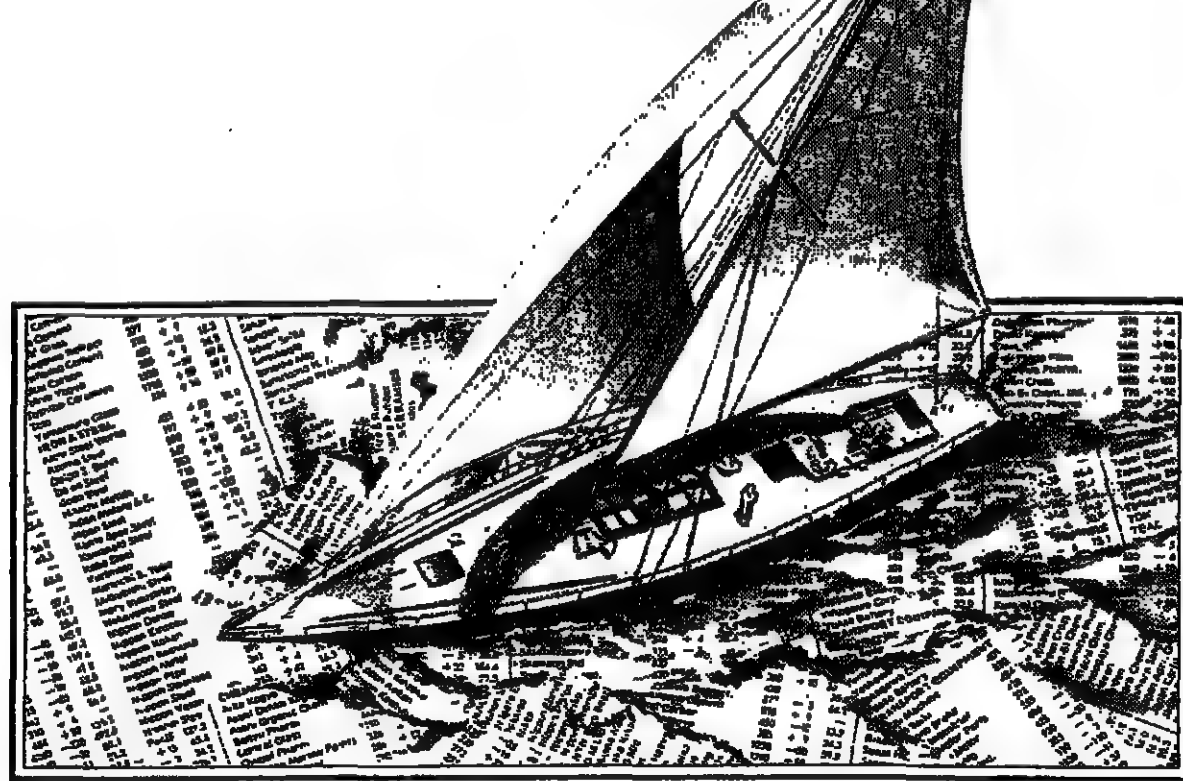
There is another reason, however, why the

effects of unemployment in Japan are difficult to see from abroad: The worst-hit areas are far from Tokyo, in the rust belts to the extreme south and north. Unemployment figures reached 4.2 percent on the northernmost main island of Hokkaido late last year and 3.7 percent on Kyushu in the south. At one Kyushu

coal mine, closed after 100 years, workers complained that they received no offers of employment from affiliated companies.

ANDREW HORVAT is The Independent's Tokyo-based staff correspondent.

New Horizons



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Defense Issues

Doubts over Pentagon Policies Blunt Enthusiasm for SDI Role

By Daniel Snider

TOKYO — For Japan, President Ronald Reagan's Strategic Defense Initiative program offers both opportunities and perils. The lure of access to the frontiers of high technology and the desire to cement security links with its U.S. ally drives Japan forward into participation in SDI.

Yet, fears that Pentagon security regulations will block commercial use of research results, and worries about the political fallout of joining SDI, restrain Japanese enthusiasm.

The Reagan administration's talk of "early deployment" of SDI anti-missile systems, perhaps by 1993, has heightened such concerns. When Edward L. Rowny, the U.S. arms control adviser, visited Tokyo recently to discuss this issue with Japanese officials, they politely reminded him of the terms of their decision to join SDI.

"Japanese officials explained our basic position on SDI participation," said Yukio Okamoto, director of national security affairs for the Foreign Ministry. In September, the government laid out a number of conditions, several of which were emphasized to Mr. Rowny. Those were, according to Mr. Okamoto, "that the initiative should be carried out in conformity with the ABM (anti-ballistic missile) treaty; that consultation with allies and negotiations with the Soviet Union should precede actual deployment; and that the decision of the government of Japan was made to join a research program."

Mr. Rowny reassured the Japanese that they would indeed be consulted before any decision on deployment was made. Publicly, the government was satisfied. Privately, an official said, they were worried about the enthusiasm expressed by Mr. Rowny about certain "breakthroughs" in technology that could allow early deployment of SDI systems. The official described these as space-based "kinetic kill vehicles" and some ground-based systems.

There is some skepticism over the reality of such claims of technology advance. More seriously, the official said, the Japanese feel that the Americans underestimate the political difficulty this can cause the Japanese government. The opposition parties, without exception, have been opposed to an SDI role, viewing it as a violation of the constitutional bar to joining collective security arrangements. Those parties, a Foreign Ministry official fears, are sure to question the government's assurance last September that they are only joining a "research program designed to provide technical

'We don't feel a strong pressure to reach a hasty agreement.'

knowledge for the future U.S. decision on the development and deployment of the strategic defense systems."

In response, the official said, "we will adamantly stick to our original line that we understand SDI to be a research program and that no decision has been taken on deployment."

But he said he feared that this line would soon wear thin.

The political sensitivity of this issue is augmented by the fact that negotiations between Japan and the United States on the actual agreement for SDI participation are unfinished. The government gave the initial nod to participation in research work Sept. 9, a year

and a half after the U.S. offer was first made by Secretary of Defense Caspar W. Weinberger. That decision followed a prolonged study of the program, involving not only government officials but representatives of 21 of Japan's leading high-technology and military production firms.

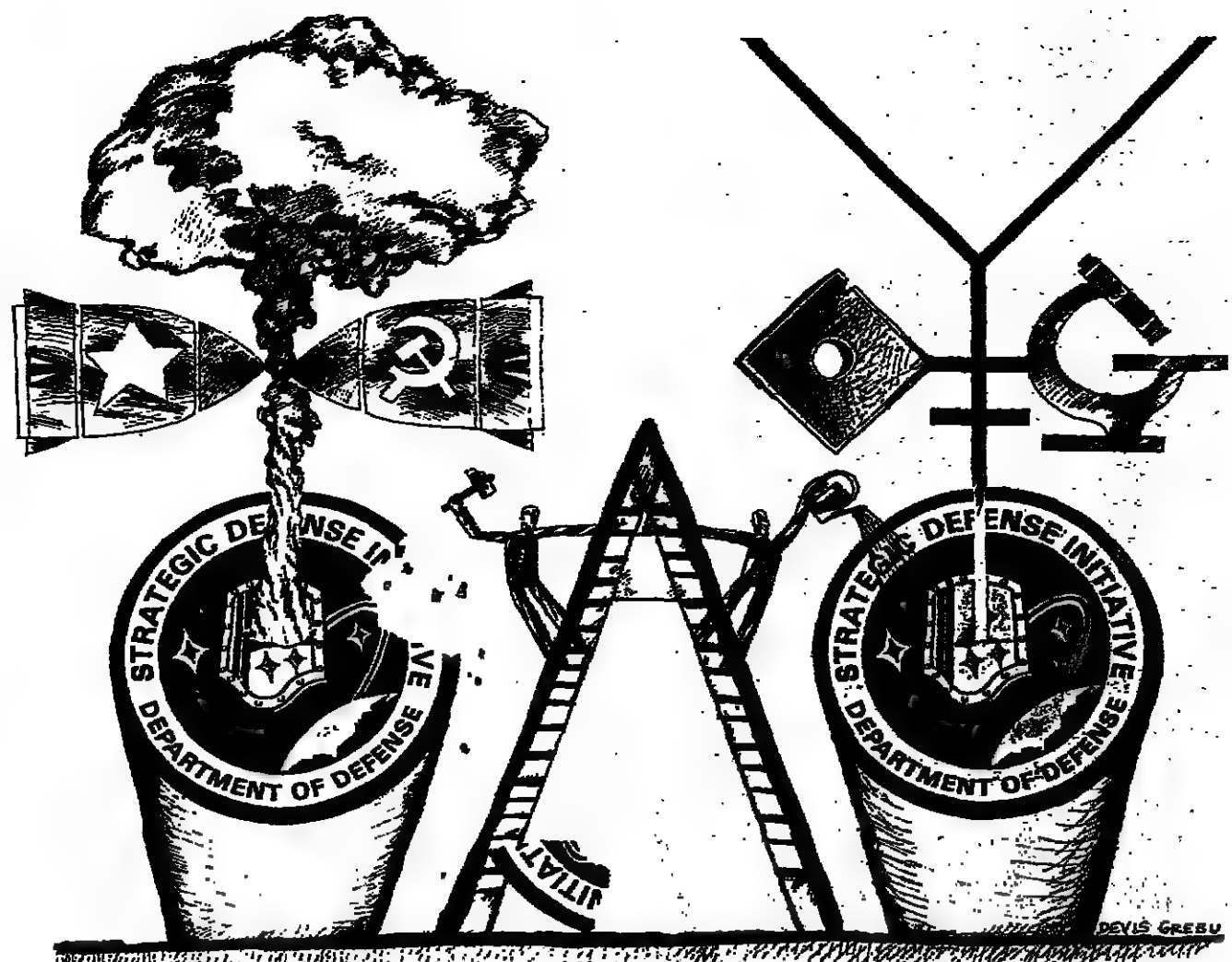
Since September, the Japanese and U.S. governments have been engaged in careful and prolonged negotiations on a framework agreement to govern the participation of private firms and government research labs. Earlier, U.S. officials had hoped to conclude those talks by the end of the year. Now, a Japanese government official said, "we don't feel a strong pressure to reach a hasty agreement, although we would like to conclude this as soon as possible."

The key issue in the talks, Japanese officials say, is the insistence on guarantees that they will be able to take advantage of the results of their research work. SDI offers Japanese companies a valuable path into frontiers of high technology. But they are greatly concerned that Pentagon security regulations will not only void those benefits but could lock up Japanese high technology brought into the program.

This issue was at the center of difficult talks on West German participation in SDI. Japanese officials say privately that they are unhappy with the German agreement, which is reported to reserve the Pentagon's right to own and classify the results of any research work. That agreement is secret, though a purported copy of it was leaked last year to a West German newspaper.

"There is considerable interest" in SDI among Japanese companies, said an official of the Ministry of International Trade and Industry. "But they are somewhat cautious, too. They want the government to clear the passage for them, and only after that they will start walking across."

The MITI official said the companies were



not impatient with the slow pace of the talks. "The Japanese government and industry have little, if any, experience with the Department of Defense acquisition procedures," he said. The talks are aimed at helping Japanese companies "feel more comfortable in participating in SDI projects."

In the meantime, the official said, several

Japanese companies have had "preliminary discussions with some U.S. companies on possible tie-ups" in SDI projects. Mitsubishi Heavy Industries, Japan's leading aerospace and military contractor, reported a few months ago an offer from Raytheon Corp. to join a consortium with several European companies to bid on an SDI contract. Mitsubishi de-

ferred because of the government talks but the company says it has a strong interest in future possibilities.

DANIEL SNIDER is a Tokyo-based correspondent for Defense News and The Christian Science Monitor.

Military Budget Creeps Over Magic Mark and the Alarm Bells Sound

By Sam Jameson

TOKYO — To Yukio Kurihara, the director of Japan's Defense Agency, critics such as former U.S. Secretary of State Henry A. Kissinger, who believe Japan will transform itself into a military giant, are mistaking ghosts of the past for realities of the present.

"Kissinger may be a great man, but on this point, he doesn't understand," Mr. Kurihara said in an interview.

In a widely circulated article, Mr. Kissinger said that a decision by Prime Minister Yasuhiro Nakasone to lift an arbitrary ceiling of 1 percent of gross national product on military

spending "makes it inevitable that Japan will emerge as a major military power in the not-too-distant future."

The most immediate effect of the decision was to increase Japan's fiscal 1987 military budget by \$89.3 million more than it could have been raised otherwise. A budget that last year was equal to 0.997 percent of GNP will amount this year to 1.004 percent.

By fiscal 1990, Japan will be capable of withstanding a limited, small-scale attack, a goal it has been seeking since 1976, when the cabinet originally fixed the 1 percent limit.

Even after 1990, however, it will not be able to defend its sea lanes. Nor are there any indications that Japan might one day come to possess, or even wish to possess, nuclear weapons,

bombers, airborne landing capability or ground troops able to stage foreign invasions.

Yet, along with Mr. Kissinger, opposition forces in Japan have warned that the decision will once again turn Japan into a military giant. Chinese leaders, too, have expressed this fear.

Mr. Kurihara said such critics were getting the past confused with the present.

"In the old days, the military was the emperor's military. . . . It utilized the emperor's power of supreme command . . . to move politics. Military men . . . held a veto. If [civilians] refused to listen, they could keep out of a cabinet or army minister or a navy minister" and thus prevent the formation of a government, Mr. Kurihara said.

Today, no elected prime minister, the com-

mand of what Japan now calls the Self-Defense Forces, could ignore the parliament or the people, who, in Mr. Kurihara's mind, constitute the most powerful limit on increases in military spending.

Parliamentary democracy has been firmly established in Japan, Mr. Kurihara said, and "we should hold more pride and faith in it."

One of Japan's leading military experts, retired General Hiroo Kurihara, a former chairman of the joint chiefs of staff, agreed.

In a separate interview, he said that transforming Japan into a military power would mean, first, giving the Air Self-Defense Force an attack capability, including bombers, which it does not have. The Maritime Self-Defense Force would have to be able to launch sea-borne landings, a capability "they don't have at all now."

The Ground Self-Defense Force would need "at least 500,000 troops" or more than twice the present strength, he said.

Nuclear weapons, too, could make Japan a military power, although "I do think Japan could become kind of a military giant even without nuclear weapons," said General Kurihara, who is known as a "hawk."

But "as a matter of reality," he said, none of the elements needed to become a military power stand any possibility of winning approval from the people, "certainly not in this century, and even as far into the next century as is conceivable at present."

Mr. Kurihara said there also were physical limitations on military strength.

"Japan is a small, narrow country," he said. "What would we do if we bought 300 or 400 F-15s, for example? We have no airstrips for them. . . . It's nearly impossible to describe how hard it is even to obtain an area to conduct a military exercise."

In addition, the Self-Defense Forces cannot recruit enough volunteers, he said. The ground, air and maritime forces have 241,000 members, compared with a World War II peak of more than eight million. Authorized strength is 272,000.

To General Kurihara, giving Japan adequate military power would require 1.5 percent to 1.7 percent of the GNP. But so sensitive is the public to military spending that "even to get to 1.1 percent of the GNP in defense budgets in the next five years would be an accomplishment," he said.

With the cabinet decision to allow spending for the five fiscal years between 1986 and 1990 to reach a total of 18.4 trillion yen (\$122.7 billion), Japan will be able to expand its military budgets in each of the next three years by "about 5.4 percent," Mr. Kurihara said. That will virtually ensure the achievement of goals

Cost of Defense

(in billions of U.S. dollars)

	Outlays	% of GNP
JAPAN	22.0	1.0
W Germany	27.2	3.1
France	27.7	4.0
Britain	28.2	5.2
U.S.	292.6	6.7

Source: Japan 1987 budget, NATO, 1985.

Japan set in weapons and equipment procurement under a 1976 outline, he added.

The outline provided for 62 frigates, 93 F-3C anti-submarine aircraft and 320 jet fighters, including 163 F-15 Eagles.

General Kurihara, however, said such a result would still leave Japan's armed forces with shortcomings.

The spending plan will also fail to bring Japan up to the standards the United States would like to see. Although Secretary of Defense Caspar W. Weinberger has said publicly he would like Japan to be able by 1989 to defend its sea lanes out to a distance of 1,000 miles (1,610 kilometers) from Tokyo and Osaka, Mr. Kurihara said only that such ability would be achieved "to a considerable degree" by 1991.

General Kurihara predicted that sea lane defense would not be achieved until 2000 if the current pace of spending continues. At least one additional flotilla would be needed, he said.

The military budget now before the parliament calls for 3.52 trillion yen in spending for

fiscal 1987, beginning April 1. Annual increases of 5.4 percent would raise the budget to \$27.5 billion in fiscal 1990, still less than Britain, West Germany or France now spends on defense.

What happens after fiscal 1990 has been left for the next government to decide, Mr. Kurihara said. However, he added, the philosophy of "moderate defense spending" — the core of the 1976 cabinet decision — will be maintained despite Defense Agency declarations in recent years that the "potential threat" from the Soviet Union has been growing.

"We will put in our plans what is needed for Japan's defense, and as a result of that, look at the amount to which defense spending adds up. [But] we will not be adding items because we have a new leeway," he said.

The 1 percent limit has come to assume an important place in the anti-war mentality of the Japanese people, born of defeat in World War II, so much so that "it cannot be changed radically," he said.

"Historical experience," Mr. Kurihara said, sustains Asian countries' suspicions of Japanese motives. Japan, however, must keep trying to convince them of its commitment to peace, he said.

Mr. Kurihara said he will tell Chinese leaders when he visits Beijing later this year that Japan "frankly" accepts its responsibility for its war with China and that "we not only won't do it again, but cannot do it again."

He said he welcomed the fact that Washington opposed the idea of Japan becoming a military power. Under the U.S.-Japan security treaty, he said, "the United States should accept the responsibility for Japan not becoming a military giant" by "reining us from whatever deficiencies we have."

Both Mr. Kurihara and General Kurihara said the chief long-term significance of lifting the 1 percent-of-GNP limit would be to refocus debate in Japan from sums of money to what the country actually needs for defense.

"Fussing about 1 percent is nonsense," Mr. Kurihara said. "This doesn't focus on the substance of defense, which is what should be debated."

The 1 percent limit, General Kurihara said, was "a formalistic obstacle that stood in the way of thinking about goals of substance in defense." Its removal, however, will provide no more than a stepping stone toward a realistic debate, he said.

SAM JAMESON is a Tokyo-based correspondent for the Los Angeles Times.



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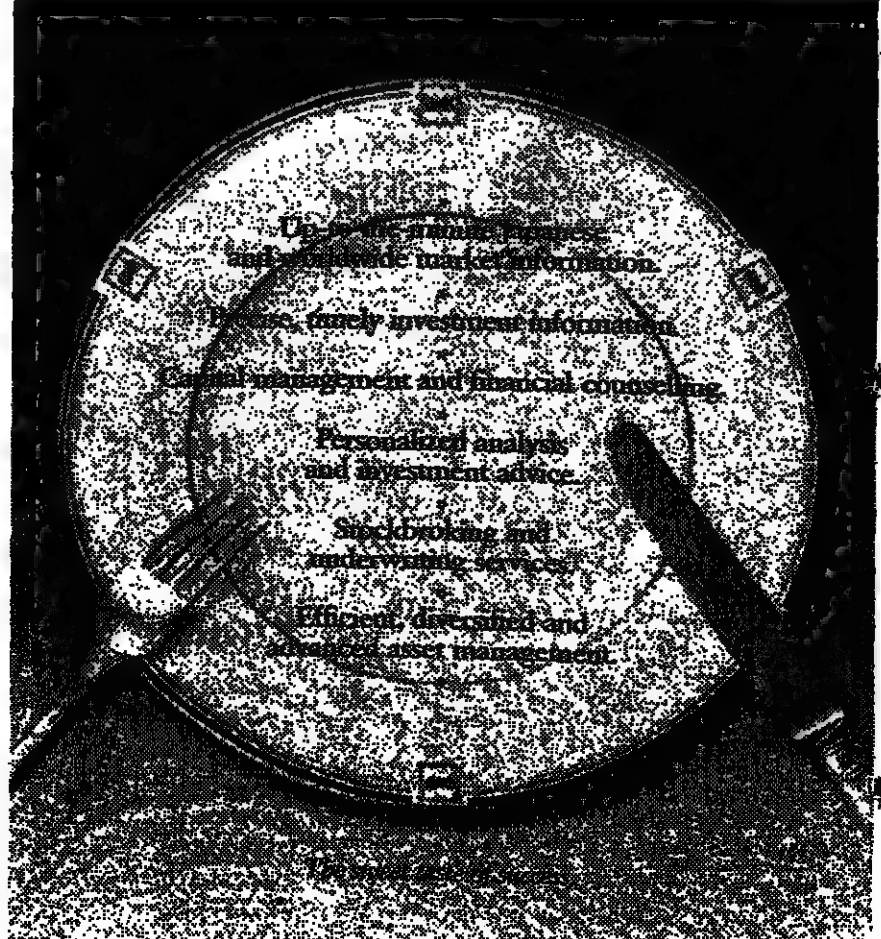
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ARTS / LEISURE

Reassembling Chanel as Skirts Go Up

By Hebe Dorsey
International Herald Tribune

PARIS — What every woman needs at this point is a good pair of scissors. As the ready-to-wear collections keep unfolding, skirts keep climbing.

But otherwise, with Dior, Givenchy and Chanel, things were back to normal with expensive, understandable clothes — and good-bye madness.

At Chanel's, Karl Lagerfeld had fun taking apart the Chanel look, then putting it back together again. It worked and this was a peach of a collection. Skirts were ultra-short with legs outlined in opaque pantyhose. Laced-up booties or flat shoes replaced the famous beige and black lady-like shoes. All of which would have made Coco Chanel, who hated the mini, very unhappy.

Lagerfeld cropped everything short, including boleros, and replaced Chanel's classic blouses with turtlenecks.

The classic Chanel suit kept integrating as Lagerfeld threw tweed jackets over jacquard knit tunics that were more micro than mini. Tunics were also topped by twin-sets or long cardigans. Asymmetrical fringed skirts were so minuscule they looked like fringed cashmere scarves.

Wide, black silk leather belts and matching ciné bow-ties were new. The pale color scheme of Chanel was no more. Lagerfeld went into strong colors — reds, blues, greens — and did a lot of mix and match, combining different plaids and checks. Quilted leather suits

were attractive as were the Russian navy suits. The beautiful brown jersey suit, with military collar, which cropped up toward the end and could well become the new Chanel.

The evening picture looked best when Lagerfeld stuck to the old Chanel classics. Ivory silk blouses, with lace cuffs and fronts worn

PARIS FASHION

with long, flowing silk pajamas in a Prince of Wales pattern, were delicious in an ambiguous but acceptable way. On a black velvet background, one outfit featured a heart-shaped red satin bolero.

The familiar Chanel gold chains and buttons were used with abandon. There were gold chain shoulder straps and others strung at the back of black dresses. Gold buttons turned up at the back of skirts or down the sides of dresses. All of it a bit much and yet not enough to revive the old Chanel look.

Hubert de Givenchy is a pro, and his collection Monday morning was perfectly in focus with lovely, timeless clothes for equally lovely women. There was no outrageousness here, no culture shock — but a grateful audience rose to its feet to thank such a gentle, *distingué* designer.

The news here was short but adult. It was all in the proportions, slim and low-waisted with strong shoulders. Long tunics topped very short skirts. Neat classic suits were touched up with gold accents, recalling Givenchy's last couture collection. Actually, these clothes looked so well made they could have passed for couture.

Givenchy, who designs with the American market in mind, kept to strong colors — red, purple, green — for daytime and black for evening. Details included suede patch pockets on jersey chemise, big ponchos over everything, jungle prints and quilted leather coats.

Evening wear, again mostly short, included satin bubbles or bloomers attached to long black velvet torsos. This designer's homage to hips was strongly outlined, velvet panniered peplums over strict, black jersey sheaths.

Other news at Givenchy's included a new boutique on the Avenue Montaigne.

At Dior's, things have not improved much, and this house is still in need of a good designer. Skirts were short under Austrian duflcoats, complete with frog fastenings. Bavarian-inspired coats, worn with Tirolese hats, had deep pleats in the back, held by a high belt. For evening, short bubbles alternated with short and skinny bustier dresses.

The collection of Enrico Coveri was peppy and fun and so young it looked like a college campus gone wild with color. Coveri is a young, successful Italian designer who is trying to make his mark in Paris. His collection also included children in bright ski outfits — children's wear is one of Coveri's 37 licenses.

The colorful Peruvian knit group was one of the best parts of this collection as well as the brightly plaid campus look. Evening wear, which Coveri is tackling for the

first time, was all about puffs à la Christian Lacroix — and still needs considerable adjusting.

Issey Miyake, the giant of Japanese fashion, has gone to the West just like his colleagues. Once wildly involved in fashion-as-an-art-form and wild drapings, he has now settled for more understandable clothes. Despite the asymmetry and some tricky buttons that never buttoned where they were sup-

posed to, these straightforward clothes were told in simple, uncomplicated and highly comfortable terms.

The surprise of this season turned out to be Marc Audebert, a newcomer on the scene who is bound to make serious waves. Audebert is a sincere, dedicated designer and his research into new stretch fabrics, which should push fashion forward, was a riveting experience.



A peach of a collection

Karl Lagerfeld has redone Chanel with shorter skirts and much brighter colors.

Roy Haynes, the Uncrowned Drum King

By Mike Zwerin
International Herald Tribune

PARIS — Some Roy Haynes

testimonials. John Coltrane: "Roy Haynes is one of the best drummers I ever worked with."

Max Roach (to Charlie Parker before leaving his band): "Hire Roy Haynes."

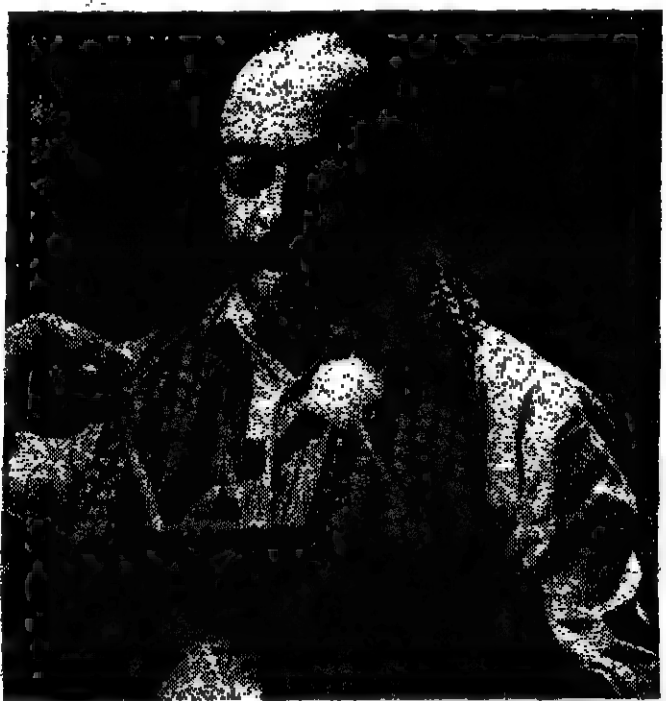
Esquire magazine: "Roy Haynes is one of the best dressed men in America."

Sonny Rollins: "Roy should be immortalized. I can dig his statue somewhere, like the one of Sidney Bechet in Antibes."

Leslie Young: "You should be called the Royal of Haynes."

Roy Haynes: "I'm a king, man, and I don't need the industry to tell me that, or win any polls — he wins few — I'm an uncrowned king and I know it. I carry myself like a goddamn king. I know I'm cool. I've been to the mountaintop."

In 1951, he refused Duke Ellington's invitation to replace Louis Bellson, who was taking honeymoon leave, because: "I figured there were too many guys on that



Best-dressed Roy Haynes in Paris.

After growing up in Boston, the teen-age Haynes worked with Frankie Newton, Pete Brown and Sabby Lewis. In 1945, the band leader Luis Russell sent him a one-way ticket to New York. He played Town Hall with Billie Holiday, went out with Jazz at the Philharmonic, worked with Young, Parker, Rollins, Coltrane, Louis Armstrong, Thelonius Monk, Stan Getz, Gary Burton, and Chick Corea. He had "money and cars and was single."

He began to have his clothes custom-made by a tailor in Cambridge. Esquire included him on its best-dressed list. He recalls that Miles Davis was on the same list: "We were the only two blacks and the only two musicians. It was a mixed blessing, people started talking more about my clothes than my drumming. And it still goes on. If I have a hole in my sock, some girl will say, 'Hey, I thought you were supposed to be well dressed.'"

Jazz Hot magazine ran a cover story on Haynes when he came to Paris for the first time, with Sarah Vaughan, in 1954. "That really turned me around," he said. "They put a guy who's playing background for a singer on their cover. Paris has been special for me ever since."

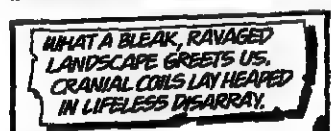
Last year his superbly staffed youthful quartet recorded in the Marnie Terrace, a club in Les Halles where they are currently appearing, and the album, "True And False" (Freelance Records), has just been released. It illustrates the

positive side of recording live: The public adds its energy to the energetic "neo-bop."

He's put his children through school, paid off the mortgage on his Long Island home; there are no more car notes and he does not take drugs. At 61, he can afford to relax and pick his spots, "so that when I do play, I really mean it. I want it to float like a balloon on the bandstand. Let it expand, but not too much, because if it breaks it's all over. I'm talking about jazz. Other people did it, but Roy Haynes did it and did it and did it. I keep going without going down. I'm proud of that. If people have any sense, anytime I'm advertised they'll be there."

The Roy Haynes Quartet: Marnie Terrace (12 Rue de la Concorde), through March 28.

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...gainers. About 1.5 billion of this decline was the lower dollar.

Exxon Plans to Continue Exploration

NEW YORK — Exxon Corp. plans to continue exploration and development worldwide to maintain its oil reserves, according to Donald McIvor, a director and senior vice president.

Capital expenditures have been cut to \$6.5 billion for 1987 from last year's \$7.2 billion, Mr. McIvor noted, but he said that the company was ready to increase its spending if prices warranted.

He also said Exxon would con-

sider acquiring reserves if they were of sufficiently high quality. Exxon's capital expenditures have dropped sharply since 1985, when they reached \$10.3 billion, and are now set at below the 1979 level of \$6.9 billion.

Analysts said that reduced spending on exploration and development, and the maturing of fields where Exxon has a stake in production, could reduce their replacement levels.

Todd Bergman, an oil analyst with Goldman Sachs, said in a re-

cent analysis of Exxon that its worldwide production is close to peaking, because production is close to peak levels on the North Slope, in the North Sea, in the lower 48 states of the United States and in Australia.

These fields account for nearly 80 percent of Exxon's worldwide production of 1.7 million barrels per day, Mr. Bergman said.

Mr. McIvor agreed that many fields were nearing their peaks but said that much could be done to maintain high production levels.

He said that Exxon's lower capital expenditures resulted from lower price expectations for crude oil and tighter cash flow.

Last year, 52 percent of Exxon's \$7.2 billion in capital expenditures came outside the United States. Mr. McIvor, although declining to give figures for 1987, said that exploration and production expenditures would grow more outside the United States in the future.

He said that projects were classified into two groups: those that can survive protracted low prices and those that are highly price-dependent. "We're doing those in the first group as fast as we can," he said, "while continuing to assess the others and waiting for prices to improve."

Analysts have said that Exxon is looking at medium-scale projects that include the development of the Alif field in North Yemen, and Mr. McIvor did not deny this. The analysts estimate the field can produce 400,000 barrels per day.

Mr. Bergman of Goldman Sachs said other medium-term projects would include the North Sea's Tern and Eider fields, the Endicott field and Lisburne Reservoir in Alaska and Cold Lake in Canada.

Cityquest Offers £120 Million For Wickes PLC

LONDON — Cityquest PLC, a newly formed company, is making a recommended £120 million (\$192 million) offer for Wickes PLC, the building-supply retailer, Wickes said.

Acceptance of the offer, which is effectively a management buyout, have come from holders of 88.9 percent of the shares.

The offer followed a decision by Wickes International Corp., a member of the U.S. Wickes Cos. group, which holds an 80.5 percent stake, to realize much of its investment. The bid, if successful, would make Wickes fully independent, and all Wickes directors would join the Cityquest board.

The offer will be 345 pence cash for every Wickes share. Wickes was last quoted at 345 pence, compared with 275 pence at Friday's close.

VW Sees Gains in Domestic Market

But Hahn Is Cautious on U.S. Sales, Silent About Fraud

WOLFSBURG, West Germany — Volkswagen AG expects to increase its market share in West Germany this year after registering gains in January and February, Carl H. Hahn, the managing board chairman, said Monday.

He said that orders in West Germany, Volkswagen's largest single market, had been very good this year. VW's share of the domestic car market rose to 29 percent in January and February from 26 percent in the year-ago period.

Mr. Hahn declined to forecast results for the 1987 first quarter. He also refused to answer questions about the alleged currency fraud revealed earlier this month, noting that the case was in the hands of state prosecutors.

Volkswagen, like other car manufacturers, encountered difficult market conditions in the United States early this year. Mr. Hahn said, without elaborating.

He said it would be difficult this year to forecast sales in North

America, VW's largest regional market after Western Europe.

Mr. Hahn had no direct comment on reports that 1986 losses at VW's Spanish subsidiary, SEAT SA, totaled up to 27 billion pesetas (\$210.7 million).

But he said SEAT was developing as planned and added that the introduction of international accounting standards, as well as changes to VW's own accounting methods, had led to corrections in SEAT's figures.

VW had hoped SEAT would break even sometime this year. Its sales volume last year was better than expected, Mr. Hahn said.

In January and February of this year, SEAT's turnover in Europe rose 40 percent compared with the 1986 period, Mr. Hahn said. Its European market share rose to 1.9 percent in both months from 1.6 percent a year earlier.

Mr. Hahn said that VW hoped to sign a contract with Ford Motor Co. this summer on a planned joint venture between the two compa-

nies' operations in Argentina and Brazil, both of which have been losing money. VW's operations in Mexico were again profitable last year, he added.

Mr. Hahn, speaking in an interview to mark production of Volkswagen's 50 millionth car, said that VW had no plans for acquisitions outside the automotive sector.

He also said that the automaker did not expect to raise capital again in the foreseeable future. Last year, VW increased capital by 25 percent in the biggest rights issue in West German history.

In a separate interview, Karl-Heinz Briem, the management board member responsible for labor relations, said that VW had no plans to increase its work force this year.

All of VW's domestic plants and most of its foreign production facilities are operating at full capacity, he said. The exceptions are the Nigerian operations and the Westmoreland plant in Pennsylvania.

Mr. Hahn said that VW recently



Carl H. Hahn

moved to increase the flexibility of the Westmoreland plant, but that there were no plans at the moment to increase production there.

He said there was room for growth in West Germany, and he predicted a good year for the domestic industry.

Wolfgang Lincke, head of car development, said the increasing environmental awareness of West German consumers would allow Volkswagen to sell more higher-price cars containing equipment such as catalytic converters, which remove pollutants from exhaust.

VW, which traditionally releases its annual results in April or May, said last week that 1986 profit and dividend would be unchanged, despite the need to cover the possible loss of 480 million Deutsche marks (\$259 million) from allegedly fraudulent hedging operations.

VW also said the currency scandal would not affect the company's investment spending.

Small Danish Bank Closed After Bond Portfolio Losses

By Juris Kaza
Special to the Herald Tribune

STOCKHOLM — The small, privately owned 6. Juli Bank was temporarily closed Monday by the Danish Banking Supervision because of irregularities found in 1986 accounts that appeared to have been used to cover heavy losses on the bank's bond portfolio.

Those losses reduced the bank's debt to equity ratio to less than 8 percent, the legal limit in Denmark. The 1986 earnings of most Danish banks were hard hit by an unexpected rise in interest rates. But, analysts said, the new 6. Juli Bank apparently was more exposed to high-risk papers than other market participants.

An official in Copenhagen for the banking authority said that 6. Juli Bank was ordered closed because it claimed extraordinary earnings from the sale of its headquarters building to a subsidiary.

They sold this building at much

too high a price," the official said, adding that it was assumed that 6. Juli Bank would remain closed until other Danish banks formed a consortium to rescue it.

"The rumor is that some medium-sized banks will go in and buy them out," said a securities analyst at one of Denmark's largest commercial banks. Recalling Kronenbank A/S, a medium-sized bank that ran into difficulties in late 1984 and was rescued by other banks, he said, "The reputation of Danish banking is at stake in such cases, and the other banks usually act."

The 6. Juli Bank, with assets of just more than 1.5 billion kroner (\$217.7 million), is one of Denmark's smallest banks. By comparison, Den Danske Bank A/S, one of the top three commercial banks, took 1986 securities portfolio losses of 1.3 billion kroner. That cut pretax profits to 138 million kroner from 3.64 billion in 1985.

Jefferies Case Raises Fears of a Broader Inquiry

By James Sterngold
New York Times Service

NEW YORK — A Wall Street practice that some securities industry executives say is common may be coming under scrutiny by federal regulators as being illegal, fueling concerns that the current trading scandal may broaden.

That practice relates to how securities are priced when offered to the public, and how underwriters may try to influence the market price for those securities.

Concerns about this possible direction in the investigation were raised last week when Boyd L. Jefferies, the former chairman of Jefferies & Co. of Los Angeles, settled civil charges that he had agreed to manipulate illegally the price of a stock just before a public offering of new shares. He has agreed to plead guilty to criminal charges related to the scheme.

The Securities and Exchange Commission would not identify the company involved, but Wall Street officials said it was Fireman's Fund.

Previous charges had focused on insider trading in takeover situations.

The underwriting business, through which corporations raise capital by selling stocks and bonds to investors, is surrounded by a range of practices that are traditionally accepted but that might not withstand the scrutiny of regulators, senior Wall Street executives said.

A wholesale investigation of this realm, the executives said, could uncover a range of activities that would breach the securities laws.

"This part of the business has generally worked well, so it has not been looked at that closely," said one executive, who requested anonymity. "But if you were to scrutinize every tiny part of this business, you would find a lot of things that are not right at this time, or something like that."

investigation could go on for a long time, even if the practices were nowhere near as bad as what Jefferies was charged with.

The SEC and the Justice Department have said that their investigation is continuing.

"What you saw last week was unlike the charges we had made in other recent cases; it was classic market manipulation," said Gary Lynch, head of the SEC's enforcement division. "But I cannot comment on whether this will lead us further in this area."

In the Wall Street inquiry, each of the important figures charged with illegal acts has gone on to implicate others.

The SEC charged Mr. Jefferies with undertaking his manipulation scheme at the behest of a Wall Street figure whom the SEC would not identify. But sources said it was Salim B. Lewis, a prominent investor and trader. Mr. Lewis has worked closely with James D. Robinson 3d, chairman of the American Express Co., a major investor in Fireman's Fund.

The fact that Mr. Lewis had a possible role in the matter shocked many in the securities business. He is known on Wall Street as an intense, savvy investor who has made millions betting

on takeover stocks. He is also a gadfly who has not shied away from taking outspoken stands. Mr. Lewis nonetheless has been close to the Wall Street establishment. His father, Salim Lewis, was for years the powerful head of the securities firm of Bear, Stearns & Co.

In the late 1970s, the younger Lewis formed his own firm, S.B. Lewis & Co., partly with the help of American Express. While seeking investors for the firm, he contacted Mr. Robinson, with whom he had worked at White Weld.

Mr. Robinson later moved on to American Express, but continued to work with Mr. Lewis. For instance, Mr. Lewis was instrumental in American Express's acquisition of Shearson in 1981, for which he was paid a \$3.5 million fee, and in American Express's 1983 purchase of IDS Financial Services.

Jefferies, SEC Resolve Dispute
Jefferies Group Inc. said Monday that it had resolved a dispute with the SEC over a transaction handled by Mr. Jefferies. United Press International reported from Los Angeles.

The dispute centered on the way the securities firm accounted for a \$5 million charge last year that was partly paid by Mr. Jefferies. The charge came after a securities trade apparently fell apart. Jefferies & Co. had acted as agent for the buyer and seller, neither of whom it would identify.

The parties threatened a lawsuit, which was averted by a \$5 million settlement. Jefferies & Co. paid \$1.2 million and Mr. Jefferies paid the balance. The firm booked \$1.2 million as a loss. The SEC, however, said the loss should have been shown at the full \$5 million.

Shearson, Nippon Life Plan London Venture

cooperation the two firms expect to build. The new unit would help facilitate the introduction to the international capital markets of the many important Japanese companies in which Nippon Life has a substantial investment, wooing them from their dependence on U.S. Japanese market, the officials said over the weekend.

If these companies decide to raise capital in the Euromarkets through the introductions, the companies hope that it will be through Shearson Lehman Brothers, the officials said.

Many senior officials at Shearson and its parent, American Express Co., say the Nippon Life transaction could usher in a new era of international expansion for Shearson and American Express.

American Express officials said the companies would explore having Nippon Life help American Express distribute its credit cards in Japan. In addition, American Express will consider selling Nippon Life Insurance policies in several foreign markets.

After five months of secret negotiations referred to internally as "the French Project," American Express Co. was expected to officially introduce Monday a plan to sell a Shearson stake to Nippon, Japan's biggest insurance company, and to the public as well.

The transaction is likely to heat up the battle among large Wall Street securities firms as they seek to bolster their capital and establish stronger international links.

The transaction could increase Shearson's share of the Euro-market, where it has not been as powerful a competitor as some other big American securities firms. It would give Shearson the kind of access to Japanese companies that American securities firms have yet to develop.

The transaction must be approved by American Express's board, which was meeting Monday. One possible hitch could be the subpoenas that American Ex-

press and Shearson received last week as part of a U.S. investigation into the activities of Boyd L. Jefferies, chairman of Jefferies & Co., the Los Angeles-based securities firm.

American Express, Shearson and Salomon Brothers Inc. said Friday that the subpoenas asked about their involvement in an underwriting last year of shares in Fireman's Fund, an insurance company in which American Express has a large investment. Shearson was involved in the underwriting.

The Shearson transaction would involve the sale of 13 percent of Shearson to Nippon Life for \$530 million, in the form of convertible preferred stock, American Express has said. Officials at the companies have said American Express will also sell some of its shares in Shearson to the public, leaving it with more than 50 percent of the securities firm.

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7 Bank Officials In Italy Held In Embezzlement

COSENZA, Italy — The president and five senior managers of a publicly owned savings bank and the vice president of another major bank have been arrested on embezzlement charges, police said Monday.

The arrests follow the weekend appointment by the Bank of Italy of a temporary panel to oversee the savings bank, the Cassa di Risparmio di Calabria e Lucania, of Cosenza.

Police said that the bank president, Francesco Sapio, who resigned Thursday, was arrested Sunday along with five bank managers.

Three other persons believed to have been involved in an embezzlement conspiracy at the bank were also arrested, the police said.

Texaco Alleges Bias by Judge in Pennzoil Case

United Press International

HOUSTON — Texaco Inc. filed new evidence Monday in its legal battle with Pennzoil Co., asserting that the judge who heard the initial court case over Getty Oil Co. "carried a personal grudge" against Texaco and its lead attorney.

Texaco asserted that a series of letters and affidavits filed with the state First District Court of Appeals showed that District Judge Anthony J.P. Farris should have complied with a Texaco request to step down from the case.

Judge Farris presided over the major portion of a trial between Pennzoil and Texaco involving Texaco's acquisition of Getty. Jurors eventually found Texaco illegally interfered with Pennzoil's planned purchase of Getty, and ordered Texaco to pay \$10.53 billion in damages. Interest accrued before the judgment was added to bring the total to \$11.1 billion, the largest award in U.S. history.

In February, the state appeals

court upheld the jury's verdict but reduced the amount of punitive damages. The award, including pre- and postjudgment interest, now stands at \$10.2 billion.

Judge Farris, who left the bench before the conclusion of the trial because of illness, died last September of cancer.

Texaco's filings included a letter containing what it termed "an explicit admission" by Judge Farris that he should have stepped down from the case because he received a \$10,000 campaign contribution from the lead Pennzoil attorney, Joe Jamail.

Judge Farris refused to step down, and his position was upheld in an October 1984 hearing presided over by District Judge E. E. Jordan of Amarillo.

"Texaco's papers contend that this letter shows that Judge Farris refused to step down because he carried a personal grudge against Miller and Texaco for having made the earlier disqualification motion

in the midst of his re-election campaign," Texaco said.

Richard Miller was the lead Texaco attorney in the original case.

Mr. Jamail said Monday the new filings were a "desperate" attempt by Texaco to raise a federal question for future appeals beyond Texaco state courts.

A Texaco attorney, Jim Sales, said Texaco did not raise the issue before because it did not want to incur additional anger from Judge Farris by pushing for his removal from the case. But the oil giant filed the evidence after the appeals court opened the door for its use, he said.

Judge Farris's letter to an attorney, J. Donald Bowen, said, "... if Mr. Miller had come to me and told me how concerned he was about the Jamail contribution and the fact that I was presiding over the pretrial matters in the subject case, I would have recused myself."

The letter also noted, however, that Mr. Miller never objected to any of Judge Farris's rulings as unfair to Texaco.

DUTCH: Lackluster Market

(Continued from first finance page)

had unexpectedly positive results. But the three big banks, Algemene Bank Nederland, Amsterdam-Rotterdam Bank and Nederlandsche Middenstandsbank, had poor results, achieving higher profits partly by reducing their risk provisions.

Analysts still have doubts about the insurance sector, and many companies stressed the negative impact of lower currencies on their guild earnings in 1986.

Food and publishing are seen as major growth areas, despite the fact that many of these companies have significant activities in Britain and the United States.

Ahold NV, a food chain, reported an 8.1 percent increase in net profit for 1986 but said it did not expect profit to grow in 1987 because of the uncertainty of the dollar.

Sales declined by 5.7 percent to 11.4 billion guilders. About 1.5 billion guilders of this decline was due to the lower dollar.

COMPANY NOTES

Alitalia SpA reported that provisional net profit in 1986 rose to 55 billion lire (\$42.3 million at current rates) from 48 billion in 1985, a 14.6 percent increase. The Italian national airline said it carried 7 percent more passengers on domestic routes, but 11.5 percent fewer on flights from North America. It said the decline was due to a fall in the numbers of American tourists visiting Europe caused by fears of terrorism.

Bayrische Vereinsbank AG said that group bank net profit rose to 275.52 million Deutsche marks (\$150.7 million) in 1986 from 222.73 million DM a year earlier, an increase of 23.7 percent. It said parent year net profit rose 16.1 percent to 187.63 million DM from 161.58 million. The parent's partial operating profit, which excludes earnings from trading on its profit, which excludes earnings from trading on its own account, edged up 2 percent to 671 million DM.

Bell Resources Ltd. said it had executed an underwriting agreement with Equitcorp Tasman Ltd. to writing 57.6 million ordinary shares in Broken Hill Pty. for 540 million Australian dollars (\$370.4 million). Bell said it now held 29.93 percent of BHP's 1.2 billion shares.

Booker PLC said pretax profit for 1986 rose to £54.6 million (\$87.6 million), a 17.4 percent increase from £46.5 million in 1985. Profit from the United States accounted for 39 percent of the total. The States accounted for 39 percent of the total. The company said its British agribusiness group reported excellent profit growth while health products profit rose to £6.5 million from £5.4 million.

ICN Pharmaceuticals of Costa Mesa, California,

said its board had approved the purchase of up to 3 million shares of its outstanding common stock. Jamieson Corp. of Secaucus, New Jersey, said its board had declared a 2-for-1 stock split and increased the quarterly cash dividend on pre-split shares to 4 cents from 3 cents.

Santos Ltd., an oil producer, said it would bid 4.00 Australian dollars (\$2.74) a share for the 96.03 percent it does not already hold in TMOG Resources Ltd., a diversified oil and gas company. Santos said the bid valued TMOG at 248.5 million dollars.

USAir Group Inc. said it had amended its \$69 per share tender offer for shares of Piedmont Aviation Inc. to reduce the maximum number it will accept to 9,309,394. Previously it had sought all shares. On Friday, the Department of Transportation approved USAir's acquisition of 51 percent of Piedmont. If USAir were to acquire more than 51 percent in the tender, it would be required to sell the excess within one week. USAir said receipt of the 9,309,394 shares would give it about 61 percent of Piedmont shares outstanding and 50.1 percent on a fully diluted basis.

Woolworths Ltd. of Australia said net profit fell to 9.27 million Australian dollars (\$6.36 million) in the year ended Feb. 1, from 63.2 million, an 85.3 percent drop. Sales rose 13.2 percent to 5.47 billion dollars from 4.83 billion, but the company said its Big W discount store division and New South Wales supermarkets produced very disappointing results.

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							per copy**	Total
Austria	A. Sch.	4,800	2,600	1,450	13.20	22	A. Sch. 9	A. Sch. 3,276
Belgium	B.Fr.	10,700	5,800	3,200	29	50	B.Fr. 21	B.Fr. 7,644
Denmark	D.Kr.	2,300	1,250	690	6.30	10	D.Kr. 3.7	D.Kr. 1,347
Finland*	F.M.	1,630	880	490	4.50	8	F.M. 3.5	F.M. 1,274
France	F.F.	1,400	760	420	3.85	7	F.F. 3.15	F.F. 1,147
Germany*	D.M.	560	300	170	1.55	2.7	D.M. 1.15	D.M. 419
Gr. Britain	£	120	65	36	0.33	0.55	£ 0.22	£ 80
Greece	Dr.	20,000	11,000	6,000	55	100	Dr. 45	Dr. 16,380
Ireland	£Ir.	140	77	42	0.38	0.70	£Ir. 0.32	£Ir. 116
Italy	Lire	350,000	190,000	106,000	960	1,800	Lire 840	Lire 305,760
Luxembourg	L.Fr.	10,700	5,800	3,200	29	50	L.Fr. 21	L.Fr. 7,644
Netherlands	Fl.	634	340	190	1.75	3	Fl. 1.25	Fl. 455
Norway*	N.Kr.	1,650	900	500	4.50	8	N.Kr. 3.50	N.Kr. 1,274
Portugal	Esc.	19,000	10,400	5,700	52	125	Esc. 73	Esc. 26,572
Spain*	Ptas.	26,500	14,600	8,000	73	135	Ptas. 62	Ptas. 22,568
Sweden*	S.Kr.	1,700	920	520	4.70	8	S.Kr. 3.30	S.Kr. 1,200
Switzerland	S.Fr.	490	270	148	1.35	2.50	S.Fr. 1.15	S.Fr. 418
Rest of Europe N. & French Africa, Middle East	\$	400	220	120	1.19	Varies by country	\$ 0.89	
Rest of Africa, Gulf States, Asia	\$	550	300	165	1.64	Varies by country	\$ 1.51	

SPORTS

UNLV, Indiana Rally From Far Back to Make Final Four the Hard Way

Rebels Regain 3-Point Touch To Spark Victory Over Iowa

Defensive Pressure Helps Edge Mistake-Prone LSU, 77-76

By Peter Alfano

SEATTLE—Losing would have been a disappointment, but the prospect of being routed would have gone long after the college basketball season had ended. Coach Jerry Tarkanian knew what critics have said about his Nevada-Las Vegas team: that it plays in a weak conference, is undisciplined and is a poor basketball team. But he knew the Rebels' season would end in the Final Four.

That is the way it has been for most of his 14 years at UNLV. Tarkanian building an impressive record but never winning a national championship, and reaching the semifinals of the National Collegiate Athletic Association tournament only in 1977. Even now, as the Rebels prepare for their second trip, someone is probably saying, "Wait until Bobby Knight's team gets finished with them." They will play Indiana Saturday in New Orleans.

UNLV scored its most impressive and dramatic victory of the season in the West Regional final on Sunday, rallying from a 44-16 deficit to defeat Iowa 77-66.

The Rebels trailed by 16 points after the first half and by as many as 18 before they began their rush to victory.

"We weren't getting beat, we were getting humiliated," Tarkanian said. "At halftime, we faced the fact that the season would pretty much be over in 20 minutes."

Tarkanian blamed himself for the first-half performance, saying that he implemented a switching defense to help compensate for Iowa's height advantage. His aim was to keep his small team from facing too many mismatches inside.

He confused the Rebels instead, he said, Iowa scored baskets as if it were practicing. And on offense, UNLV was missing the three-point shot that had become its trademark this season, hitting just 4 of 17.

"I just never feel that we can't come back, though," said Gary Graham, UNLV's leading scorer with 10 points.

At halftime, "we were so low, I didn't come if we were 20 down."

There were no secret strategies to unveil in the second half. Tarkanian simply told his players to return to their man-to-man, zone defense and keep taking 3-point shots that had helped them win 3 of 37 games—one victory short of the NCAA record set by Duke last year.

His message was especially important for Gerald Paddio, a lanky forward whose specialty is the three-point shot. Paddio had been slumping the last month of the season and missed all five three-pointers in Sunday's first half. "I knew that it was either I was going to start making that shot or we were going to lose the game," he said.

Paddio found the range early in the second half, hitting a three-pointer to cut Iowa's lead to 64-52. From then on, the margin melted like butter. UNLV scored 10 consecutive points, then 14 more after Brad Lohmeier interrupted the comeback with a lay-up. Paddio had 9 of the points in the second half, all on three-point baskets (UNLV made 11 of 30 overall).

With a little more than eight minutes to play, the Rebels had charged to a 71-66 lead.

"We knew at halftime that it was far from over," said Tom Davis, the Iowa coach. "When you have two running teams playing, you'll see bigger shifts in momentum. They just did everything better than we did in that half."

The smaller Rebels even outbounded Iowa after halftime, and finished the game even (33-33) in that department. The Hawkeyes had not been outbounded in any game this season. But led by Arizona's Gilliam, the 6-foot-9 (2.05-meter) power forward who is their only true inside player, the Rebels were preventing Iowa from getting second and third shots. Gilliam paced both teams with 27 points and 10 rebounds.

Iowa was no stranger to comebacks this season. The Hawkeyes, who finished 30-6, were behind by as many as eight points when their guards, Ed Armstrong and Kevin Gamble, brought them to within one—82-81—with 32 seconds left.

Iowa's style mirrors that of the Rebels, and its zone press forced a turnover when UNLV could not get the ball across midcourt in the allotted 10 seconds. With 22 seconds to play, the Hawkeyes set up for the winning shot, but Gamble's lob pass, under the basket to Lohmeier, hit the backboard and caromed out of bounds.

"The Rebels' Graham was fouled and hit his ball free throw, and the game ended as Gamble's desperation three-pointer did not come close."

"It was a miracle the way we came back," Tarkanian said. "I thought we were living on borrowed time. You just don't come back against a team like that."

UNLV's victory over Iowa was a dramatic rally from a 44-16 deficit to a 77-66 victory. The Rebels, coached by Jerry Tarkanian, rallied from a 16-point deficit after the first half to defeat Iowa 77-66. The game was a defensive battle, with UNLV's zone defense forcing turnovers and their three-point shooting proving decisive in the second half.

Iowa's comeback attempt in the second half was thwarted by UNLV's defensive pressure. The Hawkeyes, coached by Tom Davis, were unable to maintain their lead, and UNLV's zone defense proved effective in forcing turnovers and limiting Iowa's scoring opportunities.

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Forward Eldridge Hudson, after UNLV's net victory over Iowa.



ON TARGET — Ben Crenshaw shot a 5-under-par 67 Sunday to win the 13th title of his PGA career, a 3-stroke victory over Curtis Strange in the USF&G Classic in New Orleans. Crenshaw had six birdies; he one-putted 10 times and made two other par-saving second puts of 8 to 10 feet.

Compiled by Our Staff From Dispatches

CINCINNATI — In a game that lived up to its billing as a test of muscle and will, Indiana relied on resilience and capitalized on mistakes to defeat Louisiana State, 77-76, here Sunday to earn a semifinal berth in the NCAA basketball tournament.

Indiana is the first Big Ten team to gain the Final Four since it won the 1981 national championship.

The Hoosiers trailed by 12 points in the second half, but used half-court traps and a string of outstanding individual defensive efforts to snatch away what seemed to be a fairytale victory from underdog LSU.

Rick Calloway, Indiana's 6-foot-6 (1.98-meter) forward, banked in Darryl Thomas' air ball with seven seconds left to give Indiana a one-point lead. After the teams traded time-outs—LSU first, then Indiana—a turnaround jump shot by LSU's Nikita Wilson missed at the buzzer.

"Somebody said that Indiana's expected to win," said Bobby Knight, the winning coach. "I wasn't sure we could beat this team. I thought this team was as good a collection of athletes playing hard as I'd seen all season long, and they work like hell on the defensive end."

Then Knight spoke of his own squad. "I have a tremendous feeling for these kids," he said. "When these kids were freshmen, they came within two plays of going to the NCAA finals."

Steve Alford, the all-America guard, led Indiana with 20 points—18 in the first half. Dean Garrett, the Hoosiers' 6-10 center, scored 17 points and pulled in 15 rebounds. Thomas

added 16 points and Calloway, who was injured earlier in the half and had to be helped from the court, scored 11. Keith Smart added 10 points.

"We had plenty of time," said Calloway, who had reinjured his heavily taped right knee with 14:31 left in the game. "Darryl's man challenged him and I saw the ball come my way. Usually you grab the ball, come down and then go back up, but I thought if I can just get it back up again... I had bigger guys inside, and I thought I might not get off another good shot. I had good control—I just put it on the glass, and let the glass put it in for me."

LSU called a time-out, then Indiana countered when the teams came on the court and Knight had a look at the LSU formation. Instead of playing man-to-man, as LSU expected, the Hoosiers played a three-quarter press. Fast Irvin weaved through it, fired a pass into Wilson, the Tigers' 6-8 center who had already scored 20 points. With a second left, Wilson turned and fired, but the ball hit the rim and bounced off.

With Bernard Woodside shadowing Alford in a box-and-one, LSU broke from a 47-46 halftime deficit with seven straight points and led by 75-66 with 4 minutes 38 seconds left on a basket by Irvin, the freshman guard. But that's when the Tigers' slide began.

After Anthony Lewis missed a three-pointer, Garrett dunked to make it 75-68. Joe Hillman, who had been put in for Smart, stole a pass from Irvin and drove for the basket; he scored and drew Woodside's fifth foul.

Not only would the foul hurt LSU defensively, but later, when the Tigers tried to run a

spread offense, they would sorely miss Woodside, the control player in the spread.

Hillman's conversion of the foul shot cut the lead to 75-71 with 3:45 left.

Joe Vargas then lost the ball, and a pair of foul shots by Thomas cut the lead to 75-73.

Smart then made one of the plays of the game when he blocked the ball away from Darryl Joe on a three-on-two break. "That was as good a defensive play under the circumstances as I've seen," Knight said. "He got his hand on the ball, avoided the contact and we came up with the ball."

Thomas missed a jumper and Smart fouled Joe, who converted one of two with 30 seconds left.

Smart missed again but Thomas was fouled by Irvin. He made both shots with 40 seconds left and Indiana trailed, 76-75.

Irvin was fouled by Calloway with 26 seconds to go. LSU's third-best foul shooter, at 79.7 percent, Irvin missed on the first shot and Thomas got the rebound.

Indiana raced downcourt without calling a time-out and set up the final winning sequence with Thomas and Calloway.

"I'm not a believer in setting up plays," Knight said when asked why he hadn't called for time. "I have enough confidence in them knowing what we want done and what our strengths are."

Louisiana State (24-15) was the only team from last year's field of eight to reach this stage this year, Sunday's loss, said Coach Dale Brown, was "a javelin through my stomach and back."

(NIT, AP)

Nettles, 42, Itching to Make a Comeback

By Shirley Povich

Washington Post Service

FORT LAUDERDALE, Fla.—He was named the sixth captain in New York Yankee history in 1982 and nobody was better serving their image as baseball's destroyers, the game's long-ball team. His 32 home runs led the American League in 1976. When Reggie Jackson was supposed to be the team's prime muscle man in 1978, this fellow was equaling Jackson's home run production and driving in more game-winning runs.

This was Graig Nettles, and could he field? In back-to-back years, they voted him gold gloves as the American League's finest third baseman. His diving grabs of screaming shots down the line were his specialty. It's in the books that he has made more assists and started more double plays than anybody else who ever played third base. He surpassed Brooks Robinson as the league's third baseman who hit the most home runs in his career. And that was six years ago.

So what's new with Nettles? A lot. Technically, he's out of a job for the first time in 22 baseball seasons and is in the Atlanta Braves training camp trying to prove that, at 42, a man can still play this demanding game.

He has swallowed some pride, maybe gobs of it. He's in camp here on what they call a "look-see" basis, an on-approval deal with no guarantees, not a prideful arrangement for a man with his imposing credentials—one who not only has played on five pennant winners and was the best third baseman of his time, but also has hit 384 major league home runs.

"But I'm happy with the chance they're giving me, and I'm accepting this role of part-time player, coming off the bench when they need me," he said. "I want to make them glad they're giving me this shot. I think I can help this ballclub."

Of the Braves, he said, "Nobody else would give me a shot," after the San Diego Padres declined to renew his contract. "My agent, Jerry Kapstein, called all around and all he got was a lot of maybes, which told us they were uninterested. Finally, Bobby Cox—Atlanta's general manager—called and said 'Come on in.'"

That was it, the familiar baseball story: an old buddy, now in a commanding position with a ballclub, giving a friend a new shot. When Cox was with the Yankees as a coach, he was Nettles' close pal. Baseball's buddy system is working one more time.

"They know I can field," Nettles said. "Now I want to show [Manager] Chuck Tanner I can still hit." He has been singing the ball in camp, and getting ovals from the fans.

About his wondrous skills at spearing those incipient blue-dart line drives at third, Nettles offered a comment: "The old thing is that I never felt the ground under me when I went flat out to make those belly-dive plays. But when I missed one, the ground seemed to come up and hit me hard."

His present job is to impress Tanner that he's a good bet to come off the bench when the Braves need a pinch-hit against a right-hander, or a late-inning replacement at third base. His last season with the Padres was a poor 218, the worst hitting season of his career, but he did hit 16 home runs, one more than in 1985.

"I'm interested in Nettles' bat," said Ted Turner, the owner whose Braves finished last in its division in 1986. "We know he can't run." Everybody knows, including Nettles himself, that he doesn't run well. He stole only one base in his last four years with the Yankees, but he wasn't paid to run. He had other virtues.

Although he is jobless, it doesn't mean he is down and out. He's made

it plain to the Braves that "money is no factor and we don't have to talk about it." Last season, the Padres paid him between \$800,000 and \$900,000 and he is not a supplicant. It's the proof that he can still play this game that he wants.

It has been a learning experience for him, this part-time job. "I've been asking [Atlanta catcher] Ted Simmons how he adjusted to it, what he had to do mentally, how he geared himself up to getting the most out of himself. I'm serious about this." Of his 42 years, he indicated "they don't ask your age if you make the big play or hit one out of the park."

He remembered, he said, what George Steinbrenner, the Yankee owner, said about him in one of his peevish moods 10 years ago. "George said I had the kind of a body that would break down at the age of 34. I didn't believe him then, or now."

One of the things spurring on Nettles is a recent comment by Tanner: "Third base on this club is open." In that case, Nettles, despite his stated willingness to play part responsibility for the position. Which, at two score and two, would be a most fascinating chapter in his already sparkling resume.

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One of the things spurring on Nettles is a recent comment by Tanner: "Third base on this club is open." In that case, Nettles, despite his stated willingness to play part responsibility for the position. Which, at two score and two, would be a most fascinating chapter in his already sparkling resume.

Although he is jobless, it doesn't mean he is down and out. He's made

it plain to the Braves that "money is no factor and we don't have to talk about it." Last season, the Padres paid him between \$800,000 and \$900,000 and he is not a supplicant. It's the proof that he can still play this game that he wants.

SCOREBOARD

Transition

BASEBALL—American League. CLEVELAND—Gave Kevin Seaver, catcher, his unconditional release.

KANSAS CITY—Sent Alvin Dark, pitcher, and Robin Roberts, catcher, to Vancouver of the Pacific Coast League. Sent Lee Tinsley, Mark Bress and Orlando Lind, pitchers; Houston, Cleveland, shortstop, and Burt Davis, outfielder, to its minor league camp for reassignment.

ST. LOUIS—Sent Scott Arnold and Jeff Fossas, pitchers; Mike Fitzgerald, first baseman, and Dennis Carter and John Murray, outfielders, to Arkansas of the Texas League.

SAN FRANCISCO—Sent Francisco Melendez, infielder, and Terry Mulhearn, pitcher, to Phoenix of the Pacific Coast League. Unconditionally released Ray Pate, pitcher. Sent Jim Fanning and Clete Ward, pitchers; Angel Escobar, infielder, and Alen Cochran and Jamie Field, outfielders, to its minor-league camp for reassignment.

BASKETBALL—National Basketball Association. PORTLAND—Promoted Larry Webster, president, to chairman of the board of directors. Promoted Harry Gilman from executive vice president and general manager to president.

FOOTBALL—National Football League. CLEVELAND—Signed coach, on a three-year contract.

HOCKEY—National Hockey League. BUFFALO—Called up Bob Lason, left wing, from Rochester of the American Hockey League. Sent Paul Bryson, center, and Claude Lemieux, defenseman, to Rochester.

HARTFORD—Signed Jean Marc MacKenzie, center, and assigned him to Birmingham of the American Hockey League. Sent Doug Brown, right wing, to Maine of the American Hockey League.

NEW RANGERS—Recalled Paul Fenton, forward, from New Haven of the American Hockey League. Recalled Carl Melancon, right wing, from Bellingham of the American Hockey League.

WINNIPEG—Recalled Peter Drouin, right wing, from Sherbrooke of the American Hockey League.

COLLEGE—COLLEGE OF IDAHO—Announced the resignation of Ernie Metzger, ski coach, effective June 30.

Exhibition Baseball. NATIONAL LEAGUE. Cincinnati 7, N.Y. Mets 3. St. Louis 4, Chicago White Sox 2. Houston Astros 4, Pittsburgh (sat) 1. Los Angeles 4, Atlanta 3. Minnesota 11, Montreal 5.

N.Y. Yankees 11, Baltimore 5. Pittsburgh (sat) 11, Philadelphia 5. Toronto (sat) 11, Texas 2. Chicago Cubs 4, Seattle 1. San Francisco 5, Milwaukee 4. California 4, Oakland 3. 31 innings.

European Soccer. SPANISH FIRST DIVISION. Las Palmas 0, Sabadell 0. Espanol 2, Athletic Bilbao 1. Real Madrid 2, Valladolid 1. Girona 3, Cadix 1. Zaragoza 0, Mallorca 0. Real Betis 2, Santander 0. Real Sociedad 1, Barcelona 1. Osasuna 0, Alifan 0. Madrid 2.

Points standings: Real Madrid 40; Barcelona 40; Espanol 36; Athletic Bilbao 36; Girona 36; Osasuna 36; Real Sociedad 36; Zaragoza 36; Betis 36; Murcia 36; Valladolid 36; Sabadell 36; Las Palmas 36; Osasuna 36; Santander 36; Sabadell 36; Cadix 36.

PHILADELPHIA—Signed Tom McCarthy, Joe Mauer, and Brian Shantz, pitchers; Greg Olson, catcher; Steve Mauer and Mike Sanchez, infielders; and Dennis Mauer, outfielder, to its minor-league camp for reassignment.

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Hockey

NHL Standings

W L T Pts GP GA

Philadelphia 41 27 7 94 222

NY Islanders 30 30 10 74 254 253

Washington 32 28 9 73 239 243

NY Rangers 28 31 4 67 276 249

Pittsburgh 24 46 8 58 238 338

Adams Division

Hartford 27 27 7 61 245 245

Montreal 26 30 10 62 239 239

ART BUCHWALD

Marriage à la Click

WASHINGTON — The big question is who holds the power in the average American home. Up until recently the answer was up for grabs. Now this has changed. Dr. Jungfreud, a visiting psychiatrist at Panel of University, told me, "The power in the United States rests with the person who controls the TV remote unit."

"Zapl!" I said.

"Studies show the man or woman who has the ability to change a TV channel from bed is the one who will get the respect in the family."

"But all one is doing is selecting programs. That doesn't make you a god."



Buchwald

"It's not just controlling a TV set. The person who has his finger on the clicker is making a powerful statement. He is saying in no uncertain terms, 'You mess me and you'll never see Channel 9 again.'"

I said, "I personally don't care who holds the remote in our family. There are many nights when I've let my wife click it as long as she wants to. We've had no power problem, except on the occasional evening when I have asked her in a very nice way to give the remote back to me and she refused. I got really mad because she knew it was my turn."

"And what did you do when she

refused to give back the remote?" Dr. Jungfreud asked.

"I told her she wasn't being fair, and that no marriage can survive if one spouse switches channels more than the other."

"Did your wife keep the remote?"

"She did for 'I'll Take Manhattan,' but I took it back when she dozed off during 'People's Court.'"

"Can you tell me how often you've let her use the TV clicker?"

"More than a lot of husbands I know."

"Do you feel that when she holds the remote she has the upper hand?"

"Not all the time. But I think I should be consulted when she uses the 'mute' button during Dan Rather. She also changes programs without asking me. I'm for women's rights, but how many women in this country do you know who are up to operating a remote button on a 19-inch Sony?"

"On the other hand, they have come a long way since the time when the remote was invented," Dr. Jungfreud said. "Frankly I think you are in a power struggle with your wife. Every time she grabs the clicker and goes by the 'A-Team' you feel emasculated."

"Maybe you're right, but what do I do?"

"You both have to gain equal control of the channels. This can be done either with a remote TV marital agreement, specifying how much time a person will have to hold the clicker, or, if that doesn't work, by purchasing a second remote so each of you will have your own in bed."

"I like the second idea better than the first. This will give me a chance to zap her 'Wheel of Fortune' off the screen."

"And she can do the same to your wrestling. It will become a game, and there is nothing like a game to keep two people happy in the bedroom."

"Are couples all over America experiencing the same problem?"

"I am afraid they are. Most people don't even know they're at war when they're watching TV."

"The whole thing seems sick."

"No one ever told you mixing remote TV with marriage would be easy."

Dianne Wiest: Success in Neurosis

By Leslie Bennetts

NEW YORK — She was heard before she was seen, but although the words are those of Lady Macbeth, the accent was a fractured Polish that immediately sent a wave of laughter rippling through the audience. When Dianne Wiest appeared on stage in sweat-soaked and voluminous nightgown, she was holding her hands out and moaning, "Out, damned spot! Her husband was huddled in bed with a pillow over his head, trying in vain to sleep, but that didn't stop Anka; when she finished Lady Macbeth's soliloquy, she launched into the story of her own life.

Sly, funny and thoroughly subversive, Anka is a hilarious character, and Dianne Wiest made triumphant work of her in "Hunting Cockroaches," which just finished its run at the Manhattan Theater Club. Critical accolades are nothing new for Wiest, who is having something of a banner year. However, Anka — an unemployed emigre actress living in a Lower East Side tenement with her husband, whose insomnia is exacerbated by Anka's delight in hiding his sleeping pills — represented something of a departure for Wiest.

Although Anka describes herself as "a nervous wreck," in fact she is impressively cheerful, maintaining a constant stream of high-spirited chatter even at 4 o'clock in the morning and telling jokes to herself when she can't get her husband to listen.

Unlike Anka, many of Wiest's other characters have indeed been nervous wrecks whose humor was entirely inadvertent. Although her stage credits range from Desdemona to Hedda Gabler, Wiest has become best known for a series of anxious, insecure women who seem to be teetering on the breaking point just getting through the day.

Notable among these are her last two performances in Woody Allen movies. Wiest has already received the New York Film Critics Award and has been nominated for an Academy Award as best supporting actress for "Hannah and Her Sisters." She plays Holly, the chronically depressed would-be actress who flunks all her auditions, starts a business called Stanislaus Catering to try to achieve greater success with her own efforts, and then is wrecked by doubt about whether she should become a writer instead.

And in Allen's latest movie, "Radio Days," Wiest created a poignant portrait of the perpetually single, who desperately land a husband that her hopes overwhelm her with every hopeless date, be he homosexual, already married or merely an un-decipherable rat.

But to all her characters, whatever their circumstances, Wiest brings a sense of psychic fragility that is riveting. Some of her characters are in genuinely desperate straits; in her last New York stage appearance, in Arthur Miller's "After the Fall," Wiest gave a shattering performance as Maggie, the famous writer's movie-star wife who is undone by alcohol, drugs and her own spiral into madness. Other characters, like Holly, are garden-variety New York neurotics on paper, but in Wiest's hands their vulnerability becomes heart-rendingly memorable.

Asked whether such parts reflect her real nature, Wiest grinned. "I know Woody thinks I'm a nut," she acknowledged. Why does he think so? There was a long pause. "He's probably got his reasons," she said. "Well, is she a nut? Another long pause. 'I view myself as a sort of normal lady,' she ventured, a pronouncement that promptly sent her into gales of laughter. "But of course I'm familiar with deep anxiety. I'm familiar with neurosis. That's certainly in me, but I would hope that wouldn't be what you would think upon meeting me." More laughter.

Indeed, Wiest seems quite sensible and competent. Then again, she learned early on to create an image for public consumption. As the child of a psychiatric social worker in the U.S. Army, Wiest lived in so many different places she has trouble remembering them all. Quinzing her eyes — once memorably described as looking as if she had just come in from the rain with her lashes still wet — and wrinkling her snub nose, she tried to list them: "Kansas City, Missouri; Nuremberg, Germany; San Antonio, Denver, States Island, Washington, D.C., West Point. Is that all? I think so."

Wiest, whose father and mother met in Algeria and married in Naples, soon learned to adjust to the insecurity of constant change. "It's rough on a kid, having to pull up and leave friends you've made," she said. "It's very painful. There are benefits. You see the world, you develop some sophistication, and when you go to new places you're forced to go through this period of adjustment, which I guess has served me well. But it wasn't like having a hometown and friends you've known all your life."

Nevertheless, Wiest soon opted for an equally insecure life on her own. Although her earliest passion was ballet, getting cast as Comedienne Ostrin in a school production of "Our Hearts Were Young and Gay" altered her course forever. "I got a couple of laughs, and that was that," she said.

Wiest remembers all too well the years



Wiest in "Hunting Cockroaches," "Hannah and Her Sisters."

she suffered through six months of unemployment at a stretch. "There have been long dry periods. I used to say I acted because I couldn't do anything else, which is true. And I've thought about my lack of education, and thought, my god, maybe I could have been a lawyer — that's a much better life. I have gone through periods of regret about it. But I guess I'm doing exactly what I want to do. This is the first play I've done in two years, and it's like somebody put a fish back in water. I just love it. I don't know why. I just can't get enough of it."

However, until Wiest became part of Woody Allen's inner circle, the future seemed a scary prospect. "It was rough, financially hard, and just not knowing whether I'd ever have a successful livelihood because you can't make any money in theater. But with Woody, that has eased up. Although nobody else is sending me scripts, I don't feel as if he's going to cast me to the wolves. It's not just a blank slate ahead of me, and that really is because of him. Before that, I was really getting anxious for a more secure situation; I was thinking I'd better get out and try to teach or something."

Her association with Allen, which began with a small role in "The Purple Rose of Cairo," has grown into a bulwark of her existence. "It's like a family now. It's like going back to school every year, except the fall. The same crew is there, the same cinematographer, the same cameraman, Mia of course, and Woody."

"It's nice," she added fervently, her gratitude evoking a starving kitten who has just been taken into a loving home and fed a bowl of cream.

Personally as well as professionally, the past year has marked a major turning point for Wiest. "I just bought my first home, a co-op on the Upper West Side. I have lived in furnished suburbs all my life, which is terribly immature of me, I guess."

However, its size is clearly unmet to accommodate Wiest's long-term fantasy, so once again her thoughts are gravitating insistently toward moving. "I want a home that my grandchildren can come to," she said dreamily, "a big four-bedroom apartment with a dining room and an eat-in kitchen — a place I'll never have to move from, no matter how big my family should grow to be — that will be like Grandma's place."

First, however, it is necessary to find a mate. A three-year romance with Sam Cohn, her agent, has come to an end, although he will continue to manage her career. "He's one of my closest friends in the world — one of the dearest men I'll ever know," Wiest said softly.

Now, however, it is back to "the search," as she puts it. Fearful of typecasting, she will not reveal her age, but the biological clock is ticking very loudly. "I can't imagine my life without children. I've never been married or had a child, but I want that very badly." Wistful and eager as one of her own on-screen creations, she added hopefully, "Do you know anybody?"

PEOPLE

Room, 'Hannah' Top British Academy Awards

"A Room With a View" and "Hannah and Her Sisters" were nominated for this year's U.S. Academy Awards, dominated the 1986 British Academy awards in London Sunday night. "A Room With a View," which is up for eight American Oscars on March 30, was named best actress for her role as the chaperone, Charlotte Bartlett. The actress Joan Collins presented the best film award to the producer Ismail Merchant who said in amazement: "Room With a View" was a small film. It's just done so well." Woody Allen won two awards for best direction and best original screenplay for "Hannah and Her Sisters." Bob Hoskins was named best actor for his role as a small-time hood in Neil Jordan's film "Mosses Lisa."

Nancy Reagan was honored Sunday with a medal from the Metropolitan Opera for encouraging public and private support of the arts. "The Met and you, its individual and corporate supporters, make beautiful music together," Mrs. Reagan told 800 people gathered at the 51 million fund-raiser at the Lincoln Center opera center. Mrs. Reagan was presented with a medal struck in commemoration of the opera house's first 100 years, 1883-1983. She was the first person who was not a member or performer of Lincoln Center to be so honored.

Victor Louis, 58, a Soviet journalist considered by many to be an official Soviet conduit for getting selective information to the West, has undergone a liver transplant in Britain and is recovering, hospital officials in London said Sunday. Louis underwent surgery 10 days ago after being diagnosed as having liver cancer.

John Fogarty was named best musician of 1986, and the band Journey took four honors, including best group, at the 10th annual San Francisco Music Awards in San Francisco. Fogarty was a member of the group Creedence Clearwater Revival in the 1960s and early '70s and recently emerged from retirement to embark on a solo career.

ANNOUNCEMENTS

FRENCH BUSINESS PRACTICES — Seminar with local French consultant, Mar. 30. 9 a.m. to 4 p.m. at the French Consulate. For information, call 212-697-0000. \$250.00. \$250.00.

CHILDREN COURTESY UNABLE — to have children contact. Need 1 hour. leading authority in children's care. Call 401-741-0000. \$150.00. \$150.00.

FEELING LONELY — having problems? SCF help. Call 212-697-0000. \$250.00. \$250.00.

ALCOHOLICS ANONYMOUS — English, French, Spanish, Italian, German, Japanese, Chinese, Korean, Vietnamese, Thai, etc. Call 212-697-0000. \$250.00. \$250.00.

MOVING — Worldwide Moving. Call 212-697-0000. \$250.00. \$250.00.

ALLIED — Worldwide Moving. Call 212-697-0000. \$250.00. \$250.00.

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